

# DAILY NEWSP APER ANALYSIS

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**CHANAKYA IAS ACADEMY  
SECTOR 25 CHANDIGARH**

# Tehran dismisses U.S. attempt to end conflict, sets own terms

Halting aggression, reparations, and recognition of its 'sovereignty' over the Strait of Hormuz are part of Tehran's terms: U.S. is offering sanctions relief in return for the Islamic Republic abandoning its nuclear programme and reopening the Strait

Stanley Johny

Iran on Wednesday dismissed a U.S. proposal to end the war and set out its own terms for peace, even as it continued trading fire with Israel.

The U.S. proposal offered a ceasefire and sanctions relief in return for the Islamic Republic abandoning its nuclear programme and reopening the Strait of Hormuz.

Iran, according to state-run Press TV, has laid down five conditions to end the war, which the U.S. and Israel launched on February 28 with the assassination of Supreme Leader Ayatollah Ali Khamenei and several other leaders. Tehran is seeking "a complete halt" to aggression and assassinations; "concrete mechanisms" to prevent future attacks; payment of war damages and reparations; an end to fighting on "all fronts"; and recognition of its "exercise of sovereignty" over the Strait of Hormuz, which it calls its "natural and legal right".

"Iran will end the war when it decides to do so and when its own conditions are met," a senior security official said, according to Press TV. The official, who is not named in the report, said Washington has put forward proposals through various diplomatic channels that are "excessive" and "disconnected from reality" on the battlefield.

**"Very big present"**  
U.S. President Donald Trump, who had backed off from his threat to attack Iran's power infrastructure claiming that Washington



First responders at a site struck by a projectile in first aid, near Tel Aviv in Israel, as the missile war in West Asia continues. AP

and Tehran were in talks, said on Tuesday that Iran had given him "a very big present worth a tremendous amount of money", adding that "we are dealing with the right people".

"I think we're going to end [the war]," Mr. Trump said without elaborating on the "present".

Iran's Khatam al-Atbiya Central Headquarters on Wednesday dismissed reports about talks, adding that the U.S. is calling its "defeat" an agreement. The comments from Mr. Trump, who has put off his threatened strikes until Friday, came amid reports that the Pentagon was planning to deploy thousands of troops from the elite 82nd Airborne Division to West Asia.

The Associated Press earlier cited two Pakistani officials as saying that Islamabad had delivered the U.S. plan to Tehran. The proposal addresses sanctions relief, a rollback of Iran's nuclear programme, limits on its missile programme, reopening the Strait of Hormuz and restrictions on Iran's support for non-state militias in West Asia such as Hezbollah and Hamas, said the officials.

**Sarcastic response**  
"We are closely monitoring all U.S. movements in the region, especially troop deployment," Iran's Parliament Speaker Mohammad Bagher Ghalibaf said on Wednesday in a social media post. "What the generals have broken [in], the soldiers can't fix. Instead, they will fall victims to [Israeli] Prime Minister Benjamin Netanyahu's delusions. Do not test our

resolve to defend our lands," he added. He later warned about a possible invasion of an Iranian island with the support of an unnamed regional country.

"If the self-proclaimed superpower of the world could have escaped this predicament, it would have done so by now. Do not call your defeat an agreement," Central Headquarters spokesperson Lt. Col. Ebrahim Zolfigari said in a video statement.

"Has the level of your infighting reached the point of negotiating with yourselves?" he asked, sarcastically.

**Fire exchanges on**  
While the U.S. and Iran are used contradicting claims about talks, Tehran and Tel Aviv continued to attack each other on Wednesday.

The Israel Defence Forces (IDF) said that it targeted Iran's "sole facility" for the development of submarines, and other weapons manufacturing sites in Isfahan. Iran fired at least 13 salvos of missiles at Israel on Tuesday, in which nine people were wounded.

Iran's Islamic Revolutionary Guard Corps (IRGC) said in a statement on Wednesday that it launched missiles at Israel on Tuesday, in which nine people were wounded. "Strategic points and military centers located in the northern occupied territories were smashed under the heavy and sustained missile attacks of the IRGC's Aerospace Force," the Guards said.

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## KEY HIGHLIGHTS

### Context of the News

- Iran has rejected a U.S.-backed ceasefire proposal amid ongoing conflict with Israel.
- The conflict reportedly escalated after the assassination of Ali Khamenei (as per Iranian claims), triggering retaliatory attacks.
- The U.S. proposal included:
  - Sanctions relief
  - Rollback of Iran's nuclear and missile programmes
  - Reopening of the Strait of Hormuz
- Iran instead proposed its own peace conditions, emphasizing sovereignty and reparations.
- Missile exchanges continue between Iran and Israel, with possible U.S. troop deployment in West Asia.

### Key Points

- Iran's Five Conditions for Peace: Complete halt to military aggression and targeted assassinations
- Binding mechanisms to prevent future attacks
- War reparations
- End to multi-front conflict (including proxies)
- Recognition of Iran's sovereignty over the Strait of Hormuz
- Strategic Developments: Iran launched missile attacks on Israel and U.S. bases in the Persian Gulf
- Israel targeted Iranian military infrastructure in Isfahan
- U.S. considering deployment of the 82nd Airborne Division

- Diplomatic Tensions: Iran denies ongoing negotiations despite U.S. claims
- Pakistan reportedly acted as an intermediary for U.S. proposals
- Statements from Donald Trump suggest optimism, but lack clarity

## Static Linkages

- Strait of Hormuz handles ~20% of global oil trade → critical chokepoint
- Freedom of navigation under UNCLOS (1982) vs coastal state control
- Nuclear Non-Proliferation Treaty (NPT): Iran is a signatory, Israel is not
- Concept of deterrence and proxy warfare in international relations
- Role of sanctions in global diplomacy (UN, U.S. unilateral sanctions)
- West Asia as a geopolitically volatile region due to energy and religious factors

## Critical Analysis

- Escalation Risk: Regional conflict may expand into a wider West Asian war
- Energy Shock: Disruption in Hormuz can spike oil prices → inflationary pressure globally
- Legal Issues: Iran's claim over Strait conflicts with international maritime law
- Diplomatic Breakdown: Weakening of nuclear deal frameworks (e.g., JCPOA-type arrangements)
- India's Concern: High dependence on West Asian oil + diaspora safety

## Way Forward

- Revive nuclear diplomacy through multilateral negotiations
- Ensure freedom of navigation under UNCLOS norms
- Promote de-escalation via neutral mediators (UN, middle powers)
- Diversify energy imports (strategic reserves, renewables)
- Strengthen global non-proliferation mechanisms

# Govt. defends stand as Opposition raises Pakistan role in Iran

Sobhana K. Nair  
Subhasini Haidar  
NEW DELHI

Parrying the questions raised by the Opposition regarding the reported central role played by Pakistan in mediating between the U.S. and Iran, External Affairs Minister S. Jaishankar on Wednesday termed the neighbouring country a "dala" and said that it had been playing this role since 1981.

He was addressing an all-party meeting chaired by Defence Minister Rajnath Singh on the recent developments in West Asia and their impact on India. Union Petroleum Minister Hardeep Puri also assured the gathering that India continued to maintain a strategic petroleum reserve of 74 days. While the country was not facing any imminent energy crisis, he noted that the supply cycle for LPG had extended from 20 days to 45 days. This, he said, should stabilise soon.

## 'Balanced position'

Responding to criticism over India's "silence", Mr. Jaishankar asserted that with nearly one crore Indians living in West Asian countries, it was crucial for India's strategic and economic interests to maintain a balanced position. India, he said, remained in a unique position, able to communicate with all sides.

Citing Prime Minister Narendra Modi's recent talks with Iranian authorities, he said two Indian ships had been allowed to sail through the Strait of Hormuz, while 18 others still in the region would soon set sail for Indian shores. He said that the U.S. continued to be India's biggest trading partner,



S. Jaishankar

while Israel was a key technological partner.

The External Affairs Minister also said that the U.S. sanctions on India had a long history and that previous administrations in Washington had deployed them in the past. While the Opposition "shamed" the government, he said that India's import of Russian oil never completely stopped.

## 'Meet unsatisfactory'

Barring the Trinamool Congress, all Opposition parties attended the meeting. Their questions covered India's silence on the assassination of Iran's late Supreme Leader Ayatollah Ali Khamenei; the timing of PM Modi's visit to Tel Aviv – two days before the U.S. and Israel launched strikes on Iran; Pakistan's role as a mediator; the rise in LPG prices due to the ongoing crisis; and India's commitment to the Non-Aligned Movement.

Speaking to presspersons later, senior Congress leader Tariq Anwar described the meeting as "unsatisfactory."

Senior CPI(M) leader John Brittas said, "All the Opposition leaders who spoke said that the government should have taken a position on the unilateral attack by the United States against a sovereign, independent country, Iran."

## KEY HIGHLIGHTS

### Context of the News

- External Affairs Minister S. Jaishankar defended India's diplomatic stance amid escalating tensions involving Iran, United States, and Israel.
- Remarks came during an all-party meeting chaired by Rajnath Singh.
- Opposition questioned:
  - India's "silence" on U.S.-Israel strikes on Iran
  - Alleged mediatory role of Pakistan
- Government highlighted:
  - Strategic petroleum reserves (~74 days)
  - Safe passage of Indian ships via Strait of Hormuz
- India emphasized maintaining a balanced diplomatic position due to its stakes in the region.

### Key Points

- India follows strategic autonomy in foreign policy.
- Around 1 crore Indians reside in West Asia → major source of remittances (RBI data).
- Energy Security:
  - India imports ~85% of crude oil (Economic Survey).
  - West Asia accounts for a major share of imports.

- Strategic Petroleum Reserve (SPR):
  - Capacity ~74 days (including commercial stocks).
  - Managed by Indian Strategic Petroleum Reserves Ltd (ISPRL).
- Strait of Hormuz significance:
  - Handles ~20% of global oil trade (IEA estimates).
- India maintains ties with:
  - U.S. → largest trading partner
  - Israel → technology & defence cooperation
  - Iran → connectivity (Chabahar Port), energy
- India continued importing discounted Russian oil despite sanctions.

### Static Linkages

- Principle of Non-Alignment → evolved into Strategic Autonomy
- Energy security as a core component of national security
- Diaspora diplomacy as a tool of foreign policy
- Sea lanes of communication (SLOCs) critical for trade
- Sanctions in international relations and sovereignty debates
- Role of Parliamentary accountability in foreign policy discussions

### Critical Analysis

#### Advantages of India's Approach

- Ensures multi-alignment flexibility
- Protects energy and economic interests
- Avoids entanglement in conflicts
- Enhances role as a neutral actor

#### Challenges

- Perception of strategic ambiguity
- Dependence on unstable region
- Oil price shocks → inflation
- Pressure from competing global powers

### Way Forward

- Diversify crude import sources
- Expand SPR capacity
- Accelerate renewable energy transition
- Strengthen maritime security
- Institutionalize diaspora protection mechanisms
- Continue issue-based alignment

# India aiming for 60% non-fossil fuel power sources by 2035

Jacob Koshy  
NEW DELHI

Updating its climate goals, India has pledged that by 2035, 60% of its installed electricity capacity will comprise non-fossil sources. It also aims to reduce by 47% the intensity of emissions per unit of GDP from 2005 level and to increase its carbon sink to 3.5 to 4 billion tonnes.

These targets make up its Nationally Determined Contribution (NDC), which are to be communicated to the United Nations Framework Convention on Climate Change (UNFCCC).

"We will easily achieve these goals... [with] the speed with which we are expanding our non-fossil sources," Union Information Technology Minister Ashwini Vaishnaw said at a briefing on Wednesday following a Cabinet meeting.

As a signatory to the Paris Agreement, India was required to issue an updated NDC in 2025, which

spells out its voluntary actions towards transitioning away from fossil fuel and improving energy-efficiency measures.

At the 30th edition of the Conference of Parties in Belem, Brazil, in November last year, Environment Minister Bhupendra Yadav said that India would announce the NDC by the "year-end".

## Current commitments

India's current NDC, officially conveyed to the United Nations in August 2022, commits to the following by 2030: having 50% of its capacity of installed electric power from non-fossil sources; reducing the intensity of emissions per unit of GDP by 44%; and increasing its carbon sink to at least 2.5 to 3 billion tonnes of CO<sub>2</sub> equivalent.

The Conference of Parties, or CoP, is a body of nations that convenes annually to discuss climate issues and proposals to transition their economies

## Green goals

The targets set for 2035 under the Nationally Determined Contribution (NDC) are part of India's formal climate pledges under the Paris Agreement



away from fossil fuel.

Currently, about 52% of India's installed electricity capacity comes from non-fossil fuel sources – a target achieved well before the deadline – though only about 25% of the power generated is non-fossil. These sources include solar, wind, hydropower, biomass, and nuclear power. As of 2019, say official estimates, India had achieved an emissions intensity of 36% from 2005-2020.

Reduce emissions intensity of GDP by **47%** from 2005 level

Create carbon sink of **3.5 to 4.0 billion tonnes** of CO<sub>2</sub> equivalent through forest and tree cover

As a signatory to the Paris Agreement, India was required to update its NDC by 2025 with actions towards curbing fossil fuel and improving energy efficiency

Achieve **60%** installed electric power from non-fossil fuel energy resources

A carbon sink of 1.97 billion tonnes of CO<sub>2</sub> equivalent had already been created from 2005 to 2019. However, forest and tree cover accounts for about 24.6% of India's geographical area as of 2021, which is higher than the 21% in 2005, but still less than the national policy goal of 33%.

## 'Strong resolve'

"In shaping India's NDC for 2031-2035, the government has considered the out-

comes of the first Global Stocktake (GST), principle of Common but Differentiated Responsibilities and Respective Capabilities (CBDR-RC), and equity with a view to harmonize national realities, developmental priorities, energy security and the need for greater ambition in climate action, in line with the purpose and long-term goals of the Paris Agreement," the Environment Ministry said in a statement.

Initiated in 2021, the GST assesses the world's collective progress towards limiting global warming to 1.5 degrees Celsius, concluding that nations are not on track. Several independent analysts have suggested that while India may meet its 2030 NDC targets, it is not enough to keep the globe on a 1.5 degrees Celsius pathway.

Independent analysts said India was picking up the slack for developed countries.

India's NDC target had

come amid a "rollback of climate policies" and "unilateral trade measures" by developed, rich countries, Vaibhav Chaturvedi, senior fellow, Council for Energy, Environment and Water (CEEW), told *The Hindu*.

"It demonstrates a strong resolve to address transmission and land availability constraints faced by the renewables sector. The 47% emissions intensity target shows that energy security and prices cannot be taken for granted."

"At a time when developed countries are backtracking on ambition, deepening their fossil fuel entrenchment, and dragging the world towards military conflict, the signal from India shows that Global South (developing country) leadership on climate ambition is concrete and real," Avantika Goswami, of the Centre for Science and Environment (CSE), an influential think tank, said in a statement.

## KEY HIGHLIGHTS

### Context of the News

- India has updated its Nationally Determined Contributions (NDCs) under the United Nations Framework Convention on Climate Change.
- As a signatory to the Paris Agreement, India was required to submit an updated NDC in 2025.
- The new targets extend commitments up to 2035, building upon the earlier 2030 goals submitted in August 2022.
- Announcement follows global discussions during Conference of Parties (CoP) and outcomes of the Global Stocktake (GST).

### Key Points

- New Targets (by 2035): 60% of installed electricity capacity from non-fossil fuel sources
- 47% reduction in emissions intensity of GDP (from 2005 levels)
- Creation of carbon sink of 3.5–4 billion tonnes CO<sub>2</sub> equivalent
- Existing Targets (by 2030): 50% installed capacity from non-fossil sources
- 44% reduction in emissions intensity
- Carbon sink of 2.5–3 billion tonnes
- Current Status: ~52% installed capacity already non-fossil (ahead of 2030 target)
- Only ~25% actual electricity generation is non-fossil
- Emissions intensity reduced by ~36% (2005–2020)
- Carbon sink created: ~1.97 billion tonnes (2005–2019)
- Forest cover: ~24.6% (below 33% policy goal)
- Guiding Principles: CBDR-RC (Common but Differentiated Responsibilities and Respective Capabilities)

- Equity and climate justice
- Balance between developmental needs and climate commitments

### Static Linkages

- India's climate commitments are voluntary and nationally determined (bottom-up approach).
- Emissions intensity = emissions per unit of GDP (not absolute emissions).
- Carbon sink mainly achieved through afforestation (Green India Mission).
- Energy mix diversification: solar, wind, hydro, nuclear, biomass.
- Constitutional backing:
  - Article 48A – Protection of environment
  - Article 51A(g) – Fundamental duty of citizens

### Critical Analysis

Pros:

- Early achievement of 2030 targets
- Enhances energy security
- Leadership role of Global South

Challenges:

- Gap: installed capacity vs actual generation
- Renewable intermittency
- Land & transmission constraints
- Climate finance dependency
- Forest cover below 33% target

### Way Forward

- Grid modernization & storage systems
- Scale up green hydrogen
- Increase afforestation
- Improve energy efficiency
- Strengthen climate finance mechanisms

# Cauvery basin to face dry spell until 2050, says study

Cauvery faces potential decline of about 3.5% of its waters between 2026 and 2050, even as its northern counterparts brace for floods; researchers warn that water sharing could get tougher

Jacob Koshy  
NEW DELHI

While a warming climate is expected to significantly increase the flow of most major Indian rivers, the Cauvery stands out as an exception. The river faces a potential "near-term decline" of approximately 3.5% of its waters between 2026 and 2050, even as its northern counterparts brace for floods, according to a study by researchers at the Indian Institute of Technology (IIT), Gandhinagar, published in the peer-reviewed journal *Earth's Future*.

Given the fraught history of Cauvery water sharing between Karnataka and Tamil Nadu, particularly in years of deficit rainfall, the study suggests that despite climate models projecting increased rainfall from global warming in India in the decades ahead, the Cauvery might not benefit. In such a situation, river interlinking projects, such as the proposed Godavari-Cauvery link project, might be necessary, the researchers say.

The study finds that the Cauvery experienced a 28% decline in streamflow between 1951 and 2012, based on data from Kollegal which, one of the authors told *The Hindu*, "well represented" actual flows in the Cauvery.

While the study is based

## Worry lines

An IIT Gandhinagar study paints a grim picture

Flows in the Cauvery basin are expected to decline in the "near-term" (2026-2050) and the only "negligible" increase is from 2051.



The Cauvery riverbed lies largely exposed at the Mullikombu dam in Trichy, Tamil Nadu, in a view from a modelling study and is reliant on an extrapolation, it attempts to reduce errors that can creep in from blindly applying climate models to predict the impact of global warming on Indian rainfall. To do that, the authors use a novel statistical framework and base their analysis on actual river flows between 1951 and 2012, measured at nine stations representing nine major river basins, and then extrapolates the data using a "constrained modelling" approach.

The nine rivers are the Cauvery (measured at Kollegal), the Ganga (Farakka), Brahmaputra (Bahadurabad), Indus (Bhakra), Godavari (Polasaram), Krishna (Kurundwad), Mahanadi (Basantpur), Narmada (Mandleshwar), and Tapi (Borhanpur). Decades of failed negotiations on water sharing between Karnataka and Tamil Nadu led to the estab-

lishment of the Cauvery Water Disputes Tribunal (CWDT) in 1990, which took 17 years to reach a final order in 2007. The tribunal calculated total available water at 740 thousand million cubic (two) feet in a normal year, and allocated shares accordingly. The 2008 Supreme Court verdict allocated 404.25 tmcft to Tamil Nadu and 284.75 tmcft to Karnataka, while also declaring the Cauvery a national asset.

In 2023, Tamil Nadu requested 24,000 cusecs a day citing drought, but Karnataka refused, citing its water shortage, leading to protests in both States.

## Water shortage

Water challenges apart, the study highlights a persistent problem in climate science: while models agree that India will get warmer, they vary widely on exactly how much rain will fall. By applying obser-

vation constraints, the researchers identified that only eight out of 22 models accurately captured the seasonality of the Indian monsoon.

The source models used are the CMIP6 (Coupled Model Intercomparison Project Phase 6), which are the latest generation of global climate models used by scientists to project future climate change.

Unconstrained models show a 5% increase in the Cauvery in the near term, the researchers said, as well as a 25% increase in the Indus, 8% in the Ganga, and 16% in the Krishna. When projections were restricted to these "constrained" or more reliable models, the certainty of a wetter future for most rivers increased, but the outlook for the Cauvery was grim, with the basin facing "near- and mid-term water shortages".

The researchers were led by Dipesh Singh Chughal and Professor Vimala Mishra of IIT Gandhinagar.

"Raw outputs have biases because of model resolution, simplified physics that global climate models use. To correct these biases and show future trends based on what is actually observed, we use constrained models," Mr. Chughal, the lead author of the study, told *The Hindu*. "As far as the Cauvery is concerned, it implies that water sharing could get tougher."

## Key Insight:

- Even with increased rainfall due to warming, Cauvery basin may not benefit → suggests regional variability in climate impacts.
- Water Conflict Dimension:
  - CWDT (1990–2007) → allocated 740 TMC (normal year).
  - 2018 SC verdict:
    - Tamil Nadu: 404.25 TMC
    - Karnataka: 284.75 TMC
  - Recent (2023) disputes show continued inter-state tensions during deficit rainfall years.
- Policy Implication:
  - Suggested need for river interlinking projects (e.g., Godavari–Cauvery link).

## Static Linkages

- India's rivers are classified into Himalayan (perennial) and Peninsular (rain-fed) systems.
- Peninsular rivers like Cauvery are more dependent on monsoon rainfall → higher variability.
- Article 262: Parliament empowered to adjudicate inter-state water disputes.
- Inter-State River Water Disputes Act, 1956 governs tribunals.
- Monsoon variability linked to factors like ENSO, IOD, and climate change.
- River interlinking part of National Perspective Plan (1980).

## Critical Analysis

### Positives

- Use of observational constraints improves reliability over raw climate models.
- Highlights regional disparities in climate impacts, aiding better policy targeting.
- Draws attention to future water stress hotspots.

### Concerns

- Model-based projections → uncertainty remains.
- Declining flows may intensify interstate conflicts.
- River interlinking raises:
  - Ecological concerns (biodiversity loss)
  - High economic costs
- Over-reliance on supply-side solutions vs demand management.

### Stakeholder Issues

- Farmers: irrigation insecurity
- States: political tensions
- Environment: ecosystem flow disruption
- Urban areas: rising water demand (e.g., Bengaluru, Chennai)

## Way Forward

- Integrated River Basin Management (IRBM) approach
- Improve water-use efficiency (micro-irrigation, crop diversification)
- Strengthen real-time hydrological data sharing between states
- Promote rainwater harvesting & groundwater recharge
- Reassess river interlinking projects with environmental safeguards
- Enhance climate-resilient water governance policies
- Use advanced climate modelling + local data integration

## KEY HIGHLIGHTS

### Context of the News

- A recent study by IIT Gandhinagar, published in *Earth's Future*, highlights declining streamflow trends in the Cauvery basin despite projected increases in rainfall due to global warming.
- The study projects a ~3.5% decline in Cauvery river flows (2026–2050).
- This contrasts with most major Indian rivers (Ganga, Indus, Brahmaputra, etc.), which are expected to witness increased flows and flood risks.
- The findings gain significance due to the long-standing Cauvery water dispute between Karnataka and Tamil Nadu.

### Key Points

- Historical Decline:
  - Cauvery streamflow declined by ~28% (1951–2012) based on observed data (Kollegal station).
- Future Projections:
  - Near-term decline (~3.5%) in Cauvery basin flows.
  - Other rivers likely to see increases:
    - Indus: ~25%
    - Ganga: ~8%
    - Krishna: ~16%
- Methodology Innovation:
  - Use of "constrained modelling" (filtering reliable CMIP6 models).
  - Only 8 out of 22 climate models accurately captured Indian monsoon seasonality.

# Transgender Bill receives RS approval amid uproar

DMK, Trinamool demanded the Bill be sent to a select committee of the House for scrutiny; Union Minister says it will ensure protection to persons who face discrimination due to biological issues

The Hindu Bureau  
NEW DELHI

The Rajya Sabha on Wednesday passed the Transgender Persons (Protection of Rights) Amendment Bill, a day after the Lok Sabha cleared the legislation. The Opposition had demanded the Bill should be sent to a select committee of the House for further scrutiny as it had provisions that would have an impact on the dignity of the third gender people.

Union Social Justice and Empowerment Minister Vinod Kumar, countering the Opposition's charges against the Bill, said it is an effort to take along all segments of the society together.

The Minister said the Bill will ensure protection to only those who face discrimination due to biological issues and added that transgender people will continue to get legal recognition and protection.

"The Narendra Modi government is committed to protecting all those people who are suffering due to biological reasons," he said



LGBTQIA+ community members during a protest demanding repeal of the Transgender Amendment Bill, 2026, in Mumbai. REUTERS

adding that transgender welfare boards have been set up in over 30 States. "This Bill will bring administrative clarity and protect rights of the transgender persons," he said, adding: "This Bill is not merely a legal reform but a pathway to justice for those who have long faced social exclusion and discrimination due to their identity."

**Takes away rights:** DMK MP Tiruchi Siva argued that the amendments take away the right of self-

identification and forces transgender persons to present themselves before a medical board for gender identification. "I am voicing for the people who cannot come to Parliament," Mr. Siva said and demanded that the Bill must be sent to a select committee for consultation with all stakeholders, legal experts, civil society and transgender community.

Trinamool Congress MP Saket Gokhale said that only 32,000 transgender persons out of their five lakh population (according to

2011 Census) have obtained certificates and identity cards so far under the existing Act. "They are afraid to come out in the first place," he said.

**Social bias:** Trinamool Mr. Gokhale said that 31% of transgender people in India have attempted suicide and out of them, 50% were below the age of 20. "They are attempting suicide because of the discrimination that they are facing everyday," the Trinamool MP said adding that as if social discrimination was not enough, now the government is going to "start discriminating" against them.

CPI(M) MP John Brittas said the new legislation is an exclusionary restrictive measure.

"Recently, the Supreme Court-appointed committee conveyed to the government not to proceed with this piece of legislation. What happened to that? Why is it that the government is not considering the request of the Supreme Court-appointed committee?" Mr. Brittas asked.

- Social Concerns:
  - High vulnerability: Reports indicate significant mental health issues and suicide attempts among transgender youth (cited in parliamentary debate).

## Static Linkages

- Fundamental Rights:
  - Article 14 – Equality before law
  - Article 15 & 16 – Prohibition of discrimination
  - Article 19(1)(a) – Freedom of expression (includes gender identity)
  - Article 21 – Right to life with dignity
- Judicial Landmark:
  - NALSA v. Union of India (2014) – Recognized transgender persons as “third gender” and upheld right to self-identification.
- Directive Principles:
  - Social justice and welfare of marginalized groups
- Institutional Mechanisms:
  - National Council for Transgender Persons (under 2019 Act)

## Critical Issues

- Conflict with self-identification principle (NALSA)
- Risk of bureaucratic exclusion via certification process
- Low registration indicates lack of trust
- Persistent social stigma and discrimination
- Weak implementation and outreach

## Way Forward

- Ensure self-identification without mandatory medical certification
- Simplify procedures → self-declaration model
- Strengthen welfare schemes (health, education, jobs)
- Improve awareness + social acceptance
- Robust grievance redressal mechanisms
- Updated and reliable data collection

## KEY HIGHLIGHTS

### Context of the News

- The Parliament has passed the Transgender Persons (Protection of Rights) Amendment Bill with approval from both Lok Sabha and Rajya Sabha.
- The Bill seeks to amend the Transgender Persons (Protection of Rights) Act, 2019.
- Opposition members demanded referral to a Select Committee citing concerns over dignity, self-identification, and procedural safeguards.
- The government stated that the amendments aim to provide administrative clarity and targeted protection for transgender persons.

### Key Points

- Legal Recognition: Continues recognition of transgender persons as a distinct gender category.
- Certification Process: Concerns raised about mandatory medical board certification, potentially limiting self-identification rights.
- Welfare Measures: Government highlighted establishment of Transgender Welfare Boards in 30+ States.
- Coverage: Focus on individuals facing discrimination due to “biological reasons” (as per government stance).
- Implementation Gap:
  - Only ~32,000 transgender persons have obtained identity certificates (PRS/Parliament data).
  - Estimated population ~4.9 lakh (Census 2011).

# The Transgender Persons Amendment Bill, a flawed fix

The Transgender Persons (Protection of Rights) Amendment Bill, 2026 (Bill No. 79 of 2026), introduced in the Lok Sabha on March 13, 2026, makes several sharp changes to the 2019 Act. It narrows the definition of "transgender person" to only specific socio-cultural identities such as kinner, hijra, aravani, jogi, eunuch, or biologically defined intersex variations, or persons forcibly compelled into such an identity through mutilation, castration, amputation, or any surgical, chemical or hormonal procedure. It explicitly excludes persons with different sexual orientations and non-heteronormative gender fluid identities.

The Bill removes the right to "self-perceived gender identity" from Section 4(2), replaces the simple District Magistrate process with a medical board "authority" headed by a Chief Medical Officer, and mandates hospitals to report every transgender surgery to the District Magistrate and the authority.

## Perpetuating structural problems

The government claims that the new amendments fix the vagueness and implementation failures of the 2019 Act. Every year, thousands of intersex infants are killed or undergo medically unnecessary, non-consensual sex-selective surgeries that mutilate their bodies without regard for lifelong physical and psychological trauma, all in pursuit of a false "normalcy". Millions of intersex individuals remain ghosts in our Census systems, their births and deaths unregistered, rendering them invisible to legal protections and social services. Even the highest authorities fail to grasp the fundamental distinctions between sex identity and gender identity, or between intersex variations and transgender identities, which fuels rampant discrimination. The Bill itself refers to male and female as "gender identity", which is fundamentally wrong – male and female are sex identities. By clabbing sex identity under the gender column, the Bill creates new problems where it is meant to solve existing ones.

The government does not have reliable data on transgender and intersex persons in India. They want to grant us rights but do not know who we are. Separating sex and gender identity as different categories on official documents would address the root causes of this problem.

Despite the new wording, the Bill still lumps "persons with intersex variations" inside the definition of a "transgender person". The term "transgender persons" often conflates distinct identities. The Trans Act's definition includes persons with intersex variations under "transgender", which erases intersex-specific needs. Intersex is a natural biological spectrum (recorded 1%-2% globally). Transgender identity is a psychological and social construct.



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Retaining this conflation under one label violates rights under Article 21 to bodily integrity and privacy. It leaves out intersex infants without any specific ban on "normalising" surgeries and ignores repeated calls for separate intersex legislation.

The Bill's definition also contradicts established international standards: the United Nations and the World Health Organization define intersex as innate variations in sex characteristics that do not fit typical male or female binaries, requiring distinct legal recognition and explicit protections against non-consensual medical interventions. By forcing intersex persons into a transgender category, the Bill undermines these global definitions and erodes the very human rights framework that India has committed to uphold.

The Bill leaves the outdated title, National Council for Transgender Persons, and all State Welfare Boards unchanged. It ignores the longstanding proposal to rebrand them as a National GIESC Welfare Council and State GIESC Welfare Boards (GIESC is Gender Identity/Expression and Sex Characteristics). This keeps the entire policy architecture trapped under the problematic "transgender" umbrella instead of creating a scientifically accurate, inclusive framework. The government continues to promote a single identity at the national level. This heteronormative bill erases the reality that GIESC communities, including transgender persons, may have diverse sexualities such as transqueer, translesbian, transbuxual, or queer.

**Legally empowering exploitative structures**  
New clauses in Section 18 introduce rigorous imprisonment (between five to 14 years) for forcing adults or children into "transgender presentation" plus begging or servitude. Yet, the Bill does nothing to regulate or dismantle the colonial hijra jamath-gharana system. By targeting only external perpetrators while leaving internal hierarchies untouched, the amendment effectively legitimises and empowers the long-standing hijra jamath-gharana system, codifying it into law. These structures are not inherently traditional; earlier Indic frameworks were more inclusive and rooted in a broader, affirmative understanding of diverse identities, free from later external influences.

At present, chief hijra navaks control chelas' earnings from begging and prostitution, trapping gender non-conforming children (often abandoned) in bonded labour. Meanwhile, thousands of gender non-conforming children, abandoned or rejected by families, are thrust into exploitative hijra jamath-gharanas, havelis, and dayars, where education is a distant dream; instead, and forced into begging and prostitution. State police often refuse to register missing

child complaints for gender non-conforming children, and there are no dedicated policies to address their vulnerability to trafficking and abuse. There is also no framework for reform, rehabilitation, or protection of minors within these systems. By protecting these colonial-era identities without evidence-based safeguards, the government is undermining earlier inclusive traditions.

The Bill contains no requirement for genetic counselling by medical geneticists before certifying intersex surgeries and health management. It offers no mandate for India-specific longitudinal studies on "affirming surgeries" and raises serious privacy concerns due to inadequate safeguards.

Instead of addressing the problems faced by diverse GIESC communities such as administrative barriers and unregulated medical practices which include gender-affirming surgeries and hormone therapies (Government of India promotes freely despite severe health risks) the Bill offers only superficial measures with little relevance to their needs. Despite the 2019 UN CEDD recommendations to prioritise intersex welfare and dignity, these concerns remain largely neglected.

## No intersectionality

The Bill contains no intersectional lens for caste, disability, poverty or religion. Transgender persons from Scheduled Caste/Scheduled Tribe backgrounds will continue to face compounded discrimination with zero targeted remedies. It also fails to protect India's family-dependent social structures by skipping any requirement for rigorous, evidence-based research before policy changes. Most critically, the Bill is completely silent on civil and marriage rights of diverse GIESC identities. It offers no provisions for marriage, adoption, inheritance, divorce, or succession for transgender persons, leaving them without full legal recognition in family law, and perpetuating their exclusion from the very institutions that define citizenship and dignity in Indian society.

The 2026 Amendment Bill tightens some definitions and increases penalties for forced exploitation, but leaves every core structural flaw untouched – the heteronormative erasure of diverse SOGIESC identities, the complete neglect of civil and marriage rights, the legal entrenchment of colonial hijra structures at the expense of ancient Indic heritage. India needs a scientific, culturally grounded approach that separates biological sex characteristics from gender identity, prioritises evidence over ideology, bans non-consensual intersex surgeries, ensures equal rights, dismantles exploitative systems, and protects the dignity of intersex persons and gender non-conforming children. The Constitution demands nothing less.

- **Intersex Inclusion Issue:**
  - Continues to include intersex persons within transgender category, despite biological distinction.
- **Penal Provisions:**
  - Punishment (5–14 years imprisonment) for forcing individuals into transgender identity for exploitation.
- **Data and Policy Gaps:**
  - Lack of reliable data on transgender and intersex populations.
  - No provisions on marriage, adoption, inheritance, or civil rights.

## Static Linkages

- Article 14 – Equality before law
- Article 15 & 16 – Prohibition of discrimination
- Article 19(1)(a) – Freedom of expression (includes identity expression)
- Article 21 – Right to life, dignity, and privacy
- NALSA Judgment (2014) – Recognition of third gender and self-identification
- Fundamental Rights vs Directive Principles balance
- Concepts of bodily autonomy and informed consent
- Census and welfare targeting mechanisms
- Social justice and vulnerable sections framework

## Critical Analysis

### Positives

- Stronger penal provisions against exploitation
- Attempts to remove ambiguity in law

### Issues

- Violates self-identification principle (NALSA)
- Medicalisation of identity
- Exclusion of gender-fluid identities
- Conflation of sex and gender
- No protection against intersex surgeries
- Absence of civil rights framework

## Way Forward

- Restore self-identification
- Separate sex & gender legally
- Ban non-consensual intersex surgeries
- Ensure civil rights (marriage, adoption)
- Improve data and inclusion policies
- Strengthen privacy safeguards

## KEY HIGHLIGHTS

### Context of the News

- The Transgender Persons (Protection of Rights) Amendment Bill, 2026 was introduced in Lok Sabha on March 13, 2026.
- It seeks to amend the Transgender Persons (Protection of Rights) Act, 2019.
- The Bill introduces changes in definition, certification process, and penal provisions.
- It has triggered debate regarding rights, identity, and constitutional protections of transgender and intersex persons.
- Concerns raised by activists relate to bodily autonomy, self-identification, and exclusion of diverse identities.

### Key Points

- **Narrowed Definition:**
  - Restricts "transgender person" to specific socio-cultural identities (e.g., hijra, kinner, eunuch).
  - Excludes gender-fluid and non-heteronormative identities.
- **Removal of Self-Identification:**
  - Deletes provision of self-perceived gender identity.
  - Introduces medical board-based certification.
- **Institutional Control:**
  - Certification authority led by Chief Medical Officer.
  - Mandatory reporting of surgeries to District Magistrate.

The Bill only deepens the conflation of gender identities and ignores core crises

# Democracy, dissent and the 'national image' debate

The dramatic 'shirtless' protests by the Indian Youth Congress (IYC) at the India AI Impact Summit on February 20 triggered a debate on the limits of dissent and the response of the ruling party. As soon as the visuals of IYC workers going shirtless to protest the India-U.S. trade agreement went viral, several leaders from the Bharatiya Janata Party (BJP) were quick to describe it as an "anti-national" act and called Congress leader Rahul Gandhi a "traitor" who was determined to tarnish India's global image. The Delhi Police quickly filed charges, including rioting and promoting enmity between groups, and arrested 14 IYC members. Does protesting against the government in front of international delegates at an AI summit dent the country's image? While there can be a debate on the manner of protests, it is not uncommon to find protesters at international events. Such protests are often seen as a demonstration of democratic credentials.

**Perspective that might not sit well**  
In democracies, dissent is often considered a safety valve through which citizens not only express disapproval of a particular policy but also participate in the governance process. Such a view, however, does not fit well into the narrative of parties that seek to project strong and decisive leadership, where the personality and charisma of the leader drive the decision-making process. In 1976, when former Prime Minister Indira Gandhi imposed the Emergency in the country, Congress president Dev Kantha Barooah had famously said, "India is Indira, Indira is India." Though no BJP leader has gone to the extent of equating Prime Minister Narendra Modi with the country, they routinely brand any serious criticism of him or his government as "an attack on the nation". The projection of an all-pervasive leadership often blurs the line between the government and the state. In theory, though, there exists a clear one: the state is sovereign, permanent and supreme, while the government manages the



Sandeep Phukan

affairs of the state. The executive, or the government, is another organ of the state, just as the legislature and the judiciary are. In a democracy, the state would also include a healthy opposition that would provide the checks and balances.

How this distinction plays out in practice depends largely on the institutional design of the state, the distribution of power within it and how a ruling party frames its relationship with them.

## Federal structure tensions

The concept of an all-pervasive "strong leader" necessarily leads to the notion of a strong state, where the distinction between dissent and sedition may dissolve. The extent to which this tendency manifests itself, however, is shaped by the constitutional arrangement of the state.

In the Indian context, the Constitution has been described as a document that is federal in structure and unitary in spirit. While there is a neat division of responsibilities in the central and the State Lists, the Union government has been accorded primacy in the Concurrent List – subjects over which both State governments and the Centre have jurisdiction.

Parties arguing for a "strong" state often adopt a reading of the Constitution that focuses on the unitary spirit of the document, and any contrarian position is viewed as an attempt to weaken the Centre. From this perspective, excessive regional assertions are sometimes seen as carrying the potential to encourage centrifugal tendencies.

Those who insist on the federal structure of the Constitution emphasise its pluralistic design, with different linguistic, cultural and ideological currents coexisting within the constitutional framework.

Political parties or ideologies alone do not shape our understanding of the state and the government; it is also influenced by the historical experience of the state with separatist movements and internal security challenges. Intelligence and security agencies prefer

political messaging through mass media that pushes towards creating a 'one nation, one identity' narrative. Such messaging not only reinforces a strong and powerful Centre but also acts as a safeguard against any centrifugal force.

And the mass media acts as a force multiplier, especially when political communication has become visual and performative. Every evening, TV anchors issue certificates of patriotism and sit in judgment on what constitutes an anti-national act. In doing so, they merge the line between the government and the country, often arguing that criticism, when amplified globally, are used by actors to question the legitimacy of the state.

Be it the protests against the Citizenship (Amendment) Act (CAA) in 2019 or the farmers' agitation of 2020-21, a large section of the mass media accused the protesters of playing into the hands of the forces that are inimical to the country. And, therefore, a protest against policy became a protest against the nation.

The tension between these two approaches reflects a deeper debate about the nature of nationalism in a democracy – whether unity is best preserved through a celebration of diversity or the assertion of a singular national identity.

## Deeper questions

The debate sparked off by the IYC protests goes beyond what constitutes a 'decent' protest. It raises larger questions about how a democracy negotiates the space for dissent while maintaining national cohesion.

A confident nation derives its strength not merely from uniformity but also from its ability to accommodate competing voices within the constitutional framework, while remaining alert to attempts that may challenge the unity and integrity of the State.

The real test of democratic maturity lies not in the absence of dissent but in the willingness to engage with it without conflating criticism of the government with disloyalty to the nation.

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## Past Instances:

- Protests during Citizenship Amendment Act and farmers' agitation framed similarly

## Static Linkages

- Fundamental Rights include freedom of speech and expression (Article 19(1)(a))
- Reasonable restrictions under Article 19(2)
- Concept of "State" under Article 12
- Separation of powers: Legislature, Executive, Judiciary
- Federalism with unitary bias (K.C. Wheare classification)
- Role of opposition in parliamentary democracy
- Doctrine of basic structure (limits on state power)

## Critical Analysis

### Positives

- Strengthens democratic accountability
- Enhances citizen participation
- Reflects democratic maturity globally

### Negatives

- May affect international perception
- Risk of misuse by anti-state elements
- Law and order concerns

### Key Issues

- Criminalisation of dissent
- Blurring of government vs nation
- Politicisation of nationalism
- Media polarisation

## Way Forward

- Uphold constitutional morality over political narratives
- Ensure peaceful protest space with clear legal safeguards
- Strengthen institutional checks and balances
- Promote responsible media discourse
- Encourage dialogue-based conflict resolution
- Maintain balance between rights and national integrity

## KEY HIGHLIGHTS

### Context of the News

- Protests by Indian Youth Congress during an international AI summit sparked controversy over limits of dissent and national image.
- Political reactions framed the protest as "anti-national," leading to arrests under charges such as rioting and promoting enmity.
- The episode reignited debate on:
  - Legitimacy of protests in democratic systems
  - Distinction between criticism of government and disloyalty to the nation
  - Role of media and political narratives in shaping public perception
- Historical parallels drawn with centralised leadership tendencies and suppression of dissent (e.g., Emergency in India).

### Key Points

- Dissent as Democratic Tool:
  - Considered a "safety valve" enabling citizen participation and accountability.
- Government vs State Distinction:
  - State = permanent sovereign entity
  - Government = temporary executive authority managing state affairs
- Narrative of Strong Leadership:
  - Increasing tendency to equate criticism of leadership with attack on nation
- Federal vs Unitary Tensions:
  - Constitution of India: Federal in structure, unitary in spirit
  - Centre's dominance via Concurrent List often leads to friction
- Media's Role:
  - Amplifies narratives; sometimes blurs dissent with anti-nationalism

Democratic strength lies in engaging dissent without equating it to disloyalty to the nation

Even as the world is feeling the pinch of the ill-thought-out and cruel attacks by the United States and its West Asian loose-cannon ally, Israel, on Iran, an equally heinous imperial act is under way in the Caribbean, drawing little attention. The Trump administration has effectively blockaded Cuba's fuel supplies to pressure regime change. In actions taken since December 2025, interdicting Venezuelan oil shipments, threatening punitive tariffs on any country supplying fuel and deterring Russian diesel and crude oil supplies, the U.S. has strangled a petroleum-dependent country, where oil drives 83% of power generation. The consequences have been devastating. There have been three grid collapses in March 2026, even as garbage is piling up in Havana and other cities, perishable food is rotting, and industry and government offices have shut. Donald Trump's actions are criminally illegal by international law. He claims that Cuba is "seeing the end", boasts that he will have the "honour" of "taking" Cuba, and has called on the Cuban government to "make a deal before it's too late", without specifying any terms.

The actions against Cuba must be seen against a six-decade long U.S. embargo – but what Cubans term a blockade – ever since the revolution nationalised U.S.-owned enterprises in the early 1960s. The U.S.'s trade embargo in 1962 was progressively strengthened as the Helms-Burton Act of 1996 effectively conscripted the global business community into enforcing it. Meanwhile, Cuba's designation as a state sponsor of terrorism – removed by Barack Obama but restored by Mr. Trump and lacking any rational basis – has cut the country off from international banking. That these coercive measures persisted much after the Cold War reveals that their true purpose is not U.S. national security, but the appeasement of the right-wing Cuban-American community in Florida, led by U.S. Secretary of State Marco Rubio, son of Cuban émigrés, for whom regime change in Havana is a lifelong ambition. Mr. Trump's military intervention in Venezuela, including capturing a sitting President and seizing control of its oil, was itself partly designed to sever Cuba's primary fuel lifeline under the doctors-for-fuel arrangement. The pattern is clear: impunity in Venezuela emboldened the Trump administration to asphyxiate Cuba and impunity in Cuba has accompanied America's war on Iran. Each unchallenged act of imperial overreach normalises the next, threatening not just vulnerable nations in the U.S. orbit but also the very framework of international order. The world, including India, must not remain silent and have the gumption to condemn these actions and provide humanitarian assistance, under the aegis of the United Nations, for the people of Cuba.

## KEY HIGHLIGHTS

### Context of the News

- The United States has intensified coercive measures against Cuba since December 2025, including:
  - Interdiction of Venezuelan oil shipments.
  - Threat of punitive tariffs on countries supplying fuel to Cuba.
  - Deterrence of Russian crude and diesel exports.
- Cuba, heavily dependent on petroleum (~83% of power generation), is facing:
  - Multiple nationwide grid collapses (March 2026).
  - Breakdown of essential services and industrial shutdowns.
- These developments are rooted in the long-standing U.S. embargo (since 1962), further strengthened by the Helms-Burton Act.
- Cuba's designation as a "state sponsor of terrorism" has restricted access to global financial systems.
- The issue has raised concerns about unilateral coercive measures and their compatibility with international law.

### Key Points

- Energy Vulnerability:
  - Cuba's energy mix is highly import-dependent; disruptions directly affect governance and daily life.
- Nature of U.S. Measures:

- Secondary sanctions and trade restrictions targeting third countries.
- Economic coercion aimed at political regime change.
- Humanitarian Impact:
  - Power outages, food spoilage, healthcare disruptions.
  - Urban sanitation crises (e.g., waste accumulation in Havana).
- Historical Continuity:
  - U.S.-Cuba tensions date back to the Cuban Revolution.
  - Embargo sustained beyond the Cold War, indicating geopolitical rather than purely security motivations.
- Global Dimension:
  - Involvement of countries like Venezuela and Russia.
  - Raises questions on sovereignty and non-intervention norms.

### Static Linkages

- UN Charter principles:
  - Sovereign equality of states (Article 2(1)).
  - Non-intervention in domestic affairs (Article 2(7)).
- Concept of economic sanctions as a foreign policy tool.
- Distinction between unilateral sanctions vs. UN Security Council-approved sanctions.
- Role of energy security in national stability.
- Impact of trade embargoes on developing economies.
- Cold War legacy in international relations.
- Importance of multilateralism and rules-based order.

### Critical Analysis

#### Issues

- Unilateral sanctions undermine international law (no UN approval).
- Severe humanitarian consequences.
- Sets precedent for economic coercion globally.
- Weakens multilateral order.

#### Stakeholders

- U.S.: strategic and domestic political interests.
- Cuba: sovereignty, economic survival.
- Global South: concern over similar coercion.
- India: balancing neutrality with principles.

### Way Forward

- Promote multilateral solutions via United Nations.
- Ensure humanitarian exemptions in sanctions.
- Strengthen global norms against unilateral coercion.
- Diversify energy sources in vulnerable economies.
- India: uphold strategic autonomy + rules-based order

# Amid troubled times, legal framework must insulate data centres against risks



RICHA ROY AND ARUNDHATI KATJU

INDIA IS aspiring to become a hub for AI infrastructure. The most visible policy initiative targeting this goal is the 21-year tax holiday for foreign companies to establish data centres in India — the computer systems facilities underpinning everything, from cloud storage to AI. The tax holiday galvanised pledges worth \$240 billion for Indian AI and data infrastructure at February's AI Summit.

Yet there are fundamental questions about the geopolitical risks created by hosting foreign data on Indian soil. Iran's attacks on AWS data centres in the UAE and Bahrain have established how critical they are for economies worldwide. Iran published a list of targets including data centres of major US tech companies, categorising them as "enemy technology infrastructure". Further, environmental concerns about power consumption and water for cooling require regulatory oversight in a country where heat waves and water scarcity already affect livelihoods. In addition, Indian companies operating data centres do not benefit from this tax holiday, making the move asymmetrical.

The tax holiday seeks to protect companies from being taxed both in India and their home countries. A company is taxable in India if it has a "significant economic presence" in India, which can arise under tax law when a company contracts to down-

load data or software above a prescribed limit, even if it has no physical presence here. Usually, double taxation avoidance agreements (DTAAs) mitigate these risks, but the Indian Supreme Court's recent Tiger Global judgment has reopened DTAA transactions to scrutiny if tax authorities determine they lack commercial substance.

The tax holiday requires foreign companies to procure services from a "specified data centre" — one established under an approved scheme to be notified by MeitY, and owned and operated by an Indian company. Under FDI regulations, Indian residents should own more than 50 per cent of the shares for a company to be "Indian-owned". Further, the tax holiday requires sales in India to be routed through an Indian reseller.

Interestingly, there is no technology transfer condition for foreign companies availing these tax exemptions, and thus no systematic mechanism to augment Indian AI manufacturing and technological capacity. Under the prevailing India-US trade framework, India has committed to buying up to \$500 billion of US goods and services, including technology, and to eliminate import restrictions on US ICT equipment. Consequently, Indian companies operating data centres are more likely to import equipment from the US than develop domestic capacity.

Requiring data centres to be Indian-owned and operated, and routing Indian sales through Indian companies, reflects the government's well-founded concerns about data sovereignty. Earlier this year, the French government replaced Microsoft Teams and Zoom with indigenous alternatives to avoid risks associated with the US CLOUD Act, which allows US law

enforcement to compel companies to produce data stored overseas. In 2025, the prosecutor of the International Criminal Court lost access to his email following US sanctions. Both incidents illustrate how digital infrastructure is being weaponised in a troubled geopolitical environment.

However, Indian ownership of data centres alone does not obviate these risks. Even if they comply with FDI regulations, a minority foreign stake still leaves specified data centres vulnerable to international sanctions. Under European regulations, sanctions are enforceable against European companies and their associated entities or subsidiaries. In the ongoing *Nayara v. SAP India* case before the Delhi High Court, SAP withdrew services to Nayara following EU sanctions. Although both Nayara and SAP are Indian companies, Nayara was on an EU sanctions list because Rosneft, the Russian state oil company, holds a 49 per cent stake; SAP India enforced the sanctions because its parent company is German. The court did not give Nayara interim protection.

It is also unclear whether specified data centres must comply with the Digital Personal Data Protection Act, 2023 (DPDPA). In general, the DPDPA applies to the data of Indians and to data processed within India. However, Section 17 exempts data of persons outside India if this data is processed under a contract between Indian and foreign contracting parties. Section 17 would exempt a foreigner's data, processed by a specified data centre, for a foreign data service provider. This includes, for example, the obligation under Section 8(6) to inform an affected individual and the Data Protection Board of India in the event of a data breach. How-

ever, Section 8(1) also requires companies to comply with the DPDPA, "irrespective of any agreement". The law must clarify whether foreign data stored in specified data centres in India will be exempted under the DPDPA.

The Budget announcements provide useful tax certainty but three deficits demand attention. The first is environmental. Speaking at an Indian Express event recently, Sam Altman dismissed water concerns, arguing that critics ignore the resources consumed in training humans to an equivalent capability. Others argue that India needs infrastructure build-out and that environmental concerns are a Western luxury. This ignores the real threat of water bankruptcy for India, which has 18 per cent of the world's population and 4 per cent of its water. Down to Earth, Planet Tracker and the World Resource Institute report that 50 existing Indian data centres are in zones facing high water stress. MeitY must impose environmental standards, including water use reduction, for foreign companies.

The second is domestic innovation. Data centres without technology transfer are warehouses and not engines of innovation. The MeitY scheme must require knowledge transfer and direct incentives for Indian operators, without which India will be in the infrastructure tier of the AI value chain, not the capability tier.

The third is data sovereignty. Indian ownership alone does not insulate data centres from sanctions exposure. The legal framework for data centres and services must be ring-fenced against the capriciousness of international sanctions and given appropriate data privacy protections.

Roy is a partner at Cyril Amarchand Mangaldas and Katju is a senior advocate. Views are personal.

The MeitY scheme must require knowledge transfer and direct incentives for Indian operators, without which India will be in the infrastructure tier of the AI value chain, not the capability tier

## KEY HIGHLIGHTS

### Context of the News

- India is promoting AI and data infrastructure through policy measures, including a tax holiday for foreign companies to establish data centres.
- Commitments worth \$240 billion were announced at the AI Summit for AI and data infrastructure development.
- Rising geopolitical risks (e.g., attacks on data centres in West Asia, sanctions affecting digital services) highlight vulnerabilities of digital infrastructure.
- Concerns also include environmental stress (water, power consumption) and lack of technology transfer to domestic firms.
- Legal ambiguities exist regarding data protection laws and exposure to international sanctions regimes.

### Key Points

- Tax Incentive Policy 21-year tax holiday to prevent double taxation and attract foreign investment.
- Applies to companies using "specified data centres" owned by Indian entities.
- FDI and Ownership Norms Data centres must be Indian-owned (>50% ownership).
- Sales routed via Indian resellers.
- Geopolitical Risks Data centres seen as strategic infrastructure targets.
- Vulnerable to sanctions (e.g., EU, US CLOUD Act implications).
- Legal Issues Ambiguity under Digital Personal Data Protection Act, 2023 (DPDPA) regarding foreign data.
- Judicial scrutiny of Double Taxation Avoidance Agreements (DTAA) after recent rulings.

- Environmental Concerns High water usage for cooling and electricity demand.
- Many data centres located in water-stressed regions.
- Domestic Capability Gap Absence of mandatory technology transfer.
- Risk of India remaining in "infrastructure tier" rather than innovation tier.

### Static Linkages

- Concept of data sovereignty and localization
- Double Taxation Avoidance Agreements (DTAA)
- FDI norms and ownership rules
- Right to Privacy (Puttaswamy Judgment, 2017)
- Environmental sustainability and resource management
- Globalisation vs strategic autonomy
- Digital economy and knowledge economy

### Critical Analysis

#### Positives

- Boosts foreign investment and infrastructure development.
- Strengthens India's ambition to become a global AI hub.
- Promotes data localization and sovereignty concerns.
- Generates employment and digital ecosystem growth.

#### Negatives

- Unequal benefits: domestic firms excluded from tax incentives.
- Lack of technology transfer limits indigenous innovation.
- Exposure to geopolitical conflicts and sanctions risks.
- Environmental strain due to water and energy-intensive operations.
- Legal ambiguity under DPDPA reduces regulatory clarity.

#### Stakeholder Concerns

- Government: balancing growth vs sovereignty
- Domestic industry: concerns over competitive disadvantage
- Citizens: data privacy and security risks
- Environment: sustainability challenges

### Way Forward

- Introduce mandatory technology transfer clauses.
- Provide incentives for domestic data centre operators.
- Strengthen legal clarity under DPDPA, especially for foreign data.
- Develop green data centre standards (water recycling, renewable energy use).
- Create sanctions-resilient legal frameworks to protect infrastructure.
- Promote indigenous AI ecosystem via R&D and manufacturing support.

# Making AI that cares for Indian patients



M SRINIVAS

**L**AST MONTH, doctors and researchers from the All India Institute of Medical Sciences (AIIMS) in Delhi were privileged to participate in conversations around artificial intelligence at the AI summit in Delhi. It was a special moment in a period of profound transition. As expansive digital transformations enter the physician's consultation room, I find myself introspecting. Algorithms can calculate, but they cannot care. Healing remains a sacred bond built on trust, ethics, and human judgement.

AIIMS Delhi has a mandate to anchor the digital transformation of Indian medicine. As the designated Centre of Excellence (CoE) for AI in Health under the Ministry of Health and Family Welfare, and the medical partner for the national AI-CoE supported by the Ministry of Education, it bears immense responsibility in defining standards for safe, ethical, and scalable AI adoption. The CoE focuses on initiatives such as cancer screening, chronic disease management, visual impairment, maternal and child health, and infectious diseases. AIIMS has forged a powerhouse ecosystem with the Indian Institute of Technology (IIT) Delhi, other IITs, and the Indian Institute of Science (IISc) Bangalore. Supported by the ICM and the Anandhan National Research Foundation, these partnerships move innovations beyond the lab into public delivery. Our goal is to ensure AI solves Indian priorities.

A significant challenge is the 'data bias' of AI tools developed using patient profiles different from those of Indians. Our strategy is to turn frugal technology into high-precision diagnostic power

A significant challenge is the "data bias" of AI tools, which are developed through the use of patient profiles different from those of Indians. Our strategy is to turn frugal technology into high-precision diagnostic power. While global models for diabetic retinopathy often depend on expensive high-resolution cameras, AIIMS has helped develop the MadhuNetrAI, which works with low-cost, handheld cameras, which are practical for district hospitals. We are applying the same logic to dermatology by building indigenous datasets for Indian skin tones, and to breast cancer screening by adapting AI to the susceptibilities of Indian women.

By prioritising portability and affordability, we are ensuring these innovations reach

and serve relatively inaccessible areas. The Arogya Aarohan app, a collaboration between AIIMS Delhi and IISc Bangalore, enables frontline healthcare workers to assess oral cancer risks using only smartphone photographs of a patient's oral cavity. Similarly, AI-powered cough analysis for tuberculosis brings high-level "doorstep diagnostics" to resource-constrained rural clinics, enabling early, life-saving interventions where they were previously impossible.

At the radiology department, an approved AI system acts as a "digital co-pilot" and flags abnormalities in chest x-rays. In a high-volume public hospital, this helps specialists prioritise critical cases and reduce diagnostic delays.

As the country's population structure shifts and chronic disease burdens grow, we must strengthen our demographic resilience — the capacity to anticipate and manage profound population changes. Human resource expansion alone cannot bridge these widening gaps. We must also amplify our capacity through technological augmentation.

Training is the cornerstone of this adaptation. AIIMS is integrating AI literacy into the medical curriculum, ensuring clinicians master algorithmic logic, bias recognition, and clinical accountability. AIIMS supports the national ecosystem by releasing anonymised datasets. By sharing structured data, we can incubate an industry of innovators.

India's influence in the health-tech domain transcends borders — this includes the Indo-French Centre for AI in Health, a partnership between AIIMS, Sorbonne University, the Paris Brain Institute, and IIT Delhi, aimed at building trusted AI and fostering global interdisciplinary research.

Prime Minister Narendra Modi's vision for India@2047 is one where India leads through self-reliance and indigenous innovation. By building medical AI tailored to India's unique needs and proving its efficacy in the world's most demanding public health conditions, we are doing more than solving domestic challenges. We are crafting a roadmap for the future.

The writer is director, AIIMS, New Delhi

## KEY HIGHLIGHTS

### Context of the News

- All India Institute of Medical Sciences (AIIMS) is leading India's AI-driven healthcare transformation.
- Recognised as Centre of Excellence (CoE) for AI in Health under Ministry of Health & Family Welfare.
- Collaboration with Indian Institute of Technology Delhi and Indian Institute of Science (IISc) to develop indigenous AI solutions.
- Focus on affordable, scalable, and India-specific AI tools for public healthcare delivery.

### Key Points

- AI applications:
  - Cancer screening, TB detection, maternal & child health
  - Chronic disease management
- Indigenous innovations:
  - Madhu Netr AI – diabetic retinopathy detection using low-cost devices
  - Arogya Aarohan App – oral cancer risk detection via smartphone
  - AI-based cough analysis for tuberculosis
- AI in hospitals:
  - Radiology AI acts as decision-support system (co-pilot)
  - Helps reduce diagnostic delays
- Core issues:
  - Data bias (non-Indian datasets)
  - Need for context-specific AI models

- Capacity building:
  - AI integrated into medical curriculum
  - Open anonymised datasets to promote innovation

### Static Linkages

- Article 21 – Right to Health (Judicial interpretation)
- National Health Policy, 2017 – Technology in healthcare
- Digital India Programme
- Ayushman Bharat – strengthening healthcare infrastructure
- NITI Aayog – AI for All strategy
- Ethics: Transparency, accountability, non-maleficence

### Critical Analysis

#### Advantages

- Improves accessibility in rural areas
- Enables early diagnosis and preventive care
- Reduces burden on healthcare system
- Promotes cost-effective innovation

#### Challenges

- Algorithmic bias and lack of Indian datasets
- Data privacy concerns
- Infrastructure gaps in rural areas
- Lack of clear regulatory framework

#### Ethical Concerns

- Trust deficit in AI decisions
- Accountability for errors
- Balancing technology with human judgement

### Way Forward

- Develop indigenous datasets and AI models
- Strengthen AI regulation and data protection framework
- Expand digital health infrastructure
- Promote public-private partnerships
- Ensure human oversight in AI decision-making
- Integrate AI training in medical education

# In informal economy, mapping the lag

**T**HE RESULTS of the Annual Survey of Unincorporated Sector Enterprises (ASUSE) for 2025, by the Ministry of Statistics and Programme Implementation (MoSPI), make for a sobering read. The survey aims to map the changes in India's informal sector for a given calendar year — essentially, the informal sector refers to the unincorporated non-agricultural enterprises. On the face of it, ASUSE 2025 shows that both the number of enterprises in this sector as well as the number of people employed in it have grown. The total number of establishments in the sector increased from 7.34 crore in ASUSE 2023-24 (October 23-September 24) to 7.92 crore in ASUSE 2025 (January 25-December 25). This is an increase of almost 8 per cent, which MoSPI describes as "healthy". The sector also saw 74.5 lakh more people getting employed, taking the number of the total employed to about 12.8 crore workers during the January-December 2025 period. This is an increase of 6.2 per cent and has been flagged as "robust labour market expansion" by the MoSPI.

However, a closer look at these numbers reveals a fair degree of sluggishness in the informal economy. For instance, Gross Value Added (GVA) per worker, which is a measure of labour productivity of the sector, rose by just 4.5 per cent to reach the level of Rs 1.56 lakh in 2025. The GVA per establishment grew even slower at 2.85 per cent to Rs 2.52 lakh. Given the muted increase in GVAs, it is hardly surprising that the earnings per hired worker increased by just 3.9 per cent — a sharp fall from the 13 per cent increase between the 2023 and 2024 survey periods. Even the number of new jobs created in this sector in 2025 (74.5 lakh) is far lower than the new jobs created in 2024.

ASUSE estimates serve as an important input not just for the estimation of India's overall gross domestic product (GDP) but also for policymaking, especially for departments and ministries related to micro, small and medium enterprises (MSME), textiles, etc. What this data shows is that in a period when the overall GDP of India grew at close to 9 per cent (in nominal terms), the informal sector's growth and growth in the value creation by an average worker lagged behind. The data underscores the need for India to continue to bring more people into the formal sector, apart from highlighting the concerns of firms in the informal economy.

## KEY HIGHLIGHTS

### Context of the News

- The Annual Survey of Unincorporated Sector Enterprises (ASUSE) 2025 released by Ministry of Statistics and Programme Implementation highlights trends in India's informal (unincorporated non-agricultural) sector.
- The survey shows:
  - Increase in enterprises from 7.34 crore (2023-24) to 7.92 crore (2025) (~8% growth).
  - Employment rose to 12.8 crore workers (increase of 6.2%).
- Despite expansion in numbers, productivity and earnings show sluggish growth trends.

### Key Points

- Enterprise Growth ~8% rise in establishments → indicates expansion of informal economic activity.
- Employment Trends 74.5 lakh new jobs added in 2025.
- Growth slower compared to previous year → signs of deceleration.
- Productivity Concerns GVA per worker increased only by 4.5% → ₹1.56 lakh.
- GVA per enterprise grew by just 2.85% → ₹2.52 lakh.
- Income Trends Earnings per hired worker rose only 3.9% (down from ~13% earlier).
- Macro-Economic Contrast Informal sector growth lagged behind overall ~9% nominal GDP growth.

- Policy Relevance Data feeds into:

- GDP estimation
- Policy for MSMEs, textiles, labour sector

### Static Linkages

- Informal sector definition: Unregistered, small-scale, low-productivity enterprises (NCERT – Indian Economic Development).
- Concept of Gross Value Added (GVA) and its role in GDP calculation (Economic Survey).
- Lewis Dual Sector Model – movement from informal to formal sector.
- Labour productivity and capital formation link.
- MSME sector contribution:
  - ~30% of GDP
  - ~45% of exports (PIB/MSME Ministry)
- Structural transformation: Agriculture → Industry → Services shift.

### Analysis

#### Issues

- Low productivity growth despite enterprise expansion.
- Stagnant wages → weak consumption demand.
- Job quality concerns (informal, no social security).
- Growth mismatch: GDP (~9%) vs informal sector lag.

#### Implications

- Slows inclusive growth.
- Limits structural transformation.
- Constrains tax base expansion.

### Way Forward

- Promote formalisation (GST, Udyam, digitalisation).
- Expand institutional credit (MUDRA, fintech).
- Boost productivity via technology adoption.
- Strengthen skill development.
- Ensure universal social security (e-Shram).
- Rationalise compliance burden for MSMEs.

## A police force more sensitive to Northeast

THE UNION home ministry's recommendation urging cities across the National Capital Region to appoint nodal officers to address racism against citizens from the Northeast is a necessary intervention. It is an implicit acknowledgement of the persistence of prejudice even in cosmopolitan spaces. Unfortunately, discrimination — casual slurs, housing bias, workplace exclusion, and, in some instances, fatal violence — continues to shape the lived realities of people from the Northeast in other parts of the country. In December last year, Anjel Chakma, a student from Tripura, was fatally stabbed in a racial attack in Dehradun. In February, three women from Arunachal Pradesh were reportedly targeted in Delhi's Malviya Nagar. Earlier this month, a lawyer from Manipur faced similar harassment in the same neighbourhood. Against this backdrop, the proposal reinforces the recognition of racism as a systemic issue that requires sustained administrative attention.

At the same time, the recommendation's promise must also be measured against the efficacy of existing mechanisms. Nodal officers are not new to NCR — Delhi already has one at the rank of Joint Commissioner who coordinates with its 15 police districts. Gurgaon, too, has a similar arrangement. There is a unit within Delhi Police — the Special Police Unit for the North Eastern Region — to provide support and redress. The persistence of complaints, however, points to the limited success of the existing mechanisms. Awareness remains low, and trust deficits endure between law enforcement and affected communities. Expanding the system to other cities without addressing these gaps risks creating a bureaucratic layer that looks responsive on paper but struggles to be so in practice. The proposal must be accompanied by better outreach, sensitisation of police personnel to diversity, and greater transparency and accountability.

Earlier this week, Rajya Sabha MP Nabam Rebia urged the government to bring in stricter legal safeguards and ensure time-bound action against racial hate crimes. The urgency of reform is sharpened not merely by past tragedies but also by long-standing recommendations that are yet to be fully realised. The murder of Nido Taniam from Arunachal Pradesh in Delhi's Lajpat Nagar Market in 2014 had led to the formation of the Bezbaruah Committee. The renewed push for nodal officers is a step in the right direction, particularly if it builds on the committee's framework.

### KEY HIGHLIGHTS

#### Context of the News

- The Ministry of Home Affairs has recommended the appointment of nodal officers across cities to address racial discrimination against people from Northeast India.
- The move follows repeated incidents of racism, including violence, harassment, and discrimination in metropolitan areas like Delhi and Dehradun.
- Recent cases include:
  - Murder of Anjel Chakma (Tripura) in Dehradun (2025)
  - Harassment of women from Arunachal Pradesh in Delhi
- Existing mechanisms such as the Special Police Unit for North Eastern Region (SPUNER) in Delhi have had limited success.
- The issue revives attention on the Bezbaruah Committee recommendations, formed after the 2014 killing of Nido Taniam.

#### Key Points

- Systemic Racism:
  - Manifested in verbal abuse, housing bias, workplace discrimination, and violence.
- Administrative Response:
  - Proposal for dedicated nodal officers for grievance redressal and coordination.
- Existing Mechanisms:
  - SPUNER in Delhi and nodal officers in NCR regions.
  - Low awareness and trust deficit among Northeast communities.

- Policy Gap:
  - India lacks a specific anti-racial discrimination law.
- Parliamentary Concern:
  - MP Nabam Rebia demanded stricter legal safeguards and time-bound action.

#### Static Linkages

- Article 14 – Equality before law
- Article 15(1) – Prohibition of discrimination on grounds of religion, race, caste, sex, place of birth
- Article 19(1)(d) – Freedom of movement across India
- Article 21 – Right to life with dignity
- Fundamental Duties (Article 51A(e)) – Promote harmony and spirit of common brotherhood
- Indian Penal Code (IPC) – Sections on assault, criminal intimidation, hate speech (limited scope for racial crimes)
- Bezbaruah Committee (2014):
  - Recommended anti-racism law, fast-track courts, and police sensitisation

#### Critical Analysis

##### Pros

- Institutional recognition of racism
- Improves administrative response
- Supports national integration

##### Cons

- Risk of symbolic compliance
- No dedicated anti-racism law
- Weak implementation capacity
- Trust deficit persists

#### Way Forward

- Enact anti-racial discrimination law
- Police sensitisation training
- Strengthen SPUNER-type units nationwide
- Awareness campaigns on inclusivity
- Time-bound grievance redressal
- Better data on hate crimes