

DAILY NEWSP APER ANALYSIS

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**CHANAKYA IAS ACADEMY
SECTOR 25 CHANDIGARH**

Fragile ceasefire takes hold between U.S., Iran

Each side offers divergent accounts of its terms: Tehran initially agrees to safe passage through Strait of Hormuz but stops vessels later, accusing Tel Aviv of ceasefire violation as Israeli strikes kill 112 in Lebanon; Iran says Lebanon is part of agreement but Israel and the U.S. say it is not; talks to begin in Islamabad tomorrow, based on Iran's proposal

Stanly Johny

The two-week ceasefire announced by the U.S. and Iran hung in the balance on Wednesday with each side offering divergent accounts of its terms and Israel launching one of its heaviest air strikes on Lebanon since the war began, drawing swift accusations from Tehran of ceasefire violation.

On Wednesday morning, U.S. President Donald Trump said he has "suspended the bombing of Iran" for two weeks and will begin talks with Tehran based on its 10-point proposal, provided Iran reopens the Strait of Hormuz. Iran said it will halt strikes if U.S. Israeli attacks stop and promised safe passage through the strait in coordination with its forces during the truce. Pakistan, which mediated between the two sides,



Temporary relief: Iranians react after the ceasefire announcement at the Enqelab Square in Tehran on Wednesday. AP

India welcomes truce, calls for trade via Strait

NEW DELHI
The Indian government on Wednesday welcomed the U.S.-Iran ceasefire agreement that was brokered by Pakistan close to the deadline, calling for an early end to the conflict and for "unimpeded" trade flow through the Strait of Hormuz. **» PAGE 4**

Shippers seek clarity before transiting

CHENNAI
Shippers are awaiting clarity on the terms of exit from the Strait of Hormuz following the ceasefire. Some 35 stranded ships are either Indian-flagged or foreign-flagged carrying cargo for India. They await "clearance from the Indian government". **» PAGE 12**

points of past contention have been agreed to between the United States and Iran, but a two-week period will allow the Agreement to be finalised and consummated," Mr. Trump added.

Iran's Foreign Minister Abbas Araghchi said the U.S. requested for talks based on its 15-point proposals and President Trump has accepted "the entirety of Iran's 10-point proposals as a basis for negotiations". "If the attacks on the Islamic Republic of Iran cease, our powerful armed forces will also cease their defensive attacks. Safe passage through the Strait of Hormuz will be possible for two weeks in coordination with the Iranian armed forces and taking into account existing technical limitations," he said.

Iran's Supreme National Security Council said the country has dealt a "historic

and crushing defeat" to the U.S. and Israel, adding that Washington was forced to accept its 10-point proposal. The proposal, as per the Council, includes: no new aggression against Iran; continued Iranian control over the Strait of Hormuz; acceptance of uranium enrichment; removal of all sanctions; payment of compensation; withdrawal of U.S. forces from the region and cessation of war on all fronts, including Lebanon.

Later in the day, the White House said the 10-point proposal Iran has submitted to the U.S. was different from the plan released by Iran's state media. Mr. Trump also said that Lebanon was not part of the ceasefire and wrote in a social media post that Iran would not be enriching uranium.

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» PAGE 14

Munir. "This will be a double-sided ceasefire. The reason for doing so is that we have already met and exceeded all Military objectives, and are very far along with a definitive Agreement concerning Longterm peace with Iran, and peace in the Middle East [West Asia]," he added.

The U.S. had earlier sent a 15-point ceasefire proposal

to Iran through Pakistan, which Tehran rejected. Instead, it submitted a 10-point proposal demanding the lifting of all sanctions and continued control over the Strait of Hormuz, according to Iran's state media.

"We received a 10-point proposal from Iran, and believe it is a workable basis on which to negotiate. Almost all of the various

Lebanon, killing at least 112 people. Iran's Fars news agency said oil vessels passing through the Strait of Hormuz have been stopped because of Israel's "ceasefire violation".

Mr. Trump said earlier in the day that he was suspending his planned attack on Iran based on conversations with Pakistan Prime Minister Shehbaz Sharif and Field Marshal Asim

KEY HIGHLIGHTS

Context of the News

- A two-week ceasefire announced between the United States and Iran, mediated by Pakistan.
- Disagreements over ceasefire terms, especially:
 - Inclusion of Israel-Lebanon front
 - Control of Strait of Hormuz
- Israel escalated air strikes in Lebanon, raising questions over ceasefire validity.
- Iran threatened disruption of maritime oil traffic.

Key Points

- Ceasefire Dynamics U.S.: Suspension of attacks + negotiations.
- Iran: Conditional ceasefire (halt attacks + sanctions removal + enrichment rights).
- Iran's Strategic Demands Continued uranium enrichment
- Control over Strait of Hormuz
- Withdrawal of U.S. forces
- Lifting of sanctions
- Geopolitical Developments Israel excluded Lebanon from ceasefire → escalated strikes.
- Pakistan emerging as mediator → reflects shifting regional diplomacy.
- Economic & Strategic Importance Strait of Hormuz handles ~20% of global oil trade (EIA).
- Any disruption impacts global oil prices and India's energy security.

Static Linkages

- Strait of Hormuz → chokepoint in global oil supply chains.
- United Nations Convention on the Law of the Sea:
 - Guarantees transit passage in international straits.

- Treaty on the Non-Proliferation of Nuclear Weapons:
 - Iran is a signatory; disputes over uranium enrichment.
- Concept of proxy conflicts in West Asia.

Critical Analysis

- Positives Temporary de-escalation opportunity
- Opens negotiation channel
- Reflects multipolar diplomacy
- Negatives Lack of clarity → fragile ceasefire
- Israel's exclusion weakens agreement
- Risk of regional escalation
- Hormuz disruption threatens global economy
- For India High dependence on West Asian oil
- Risk to diaspora in Gulf
- Strategic balancing between U.S., Iran, Israel

Way Forward

- Inclusive ceasefire including all conflict zones
- Revival of nuclear negotiations (multilateral framework)
- Ensure maritime security under UNCLOS norms
- Diversify energy imports + strengthen strategic reserves
- Promote diplomatic engagement through neutral platforms

Meeting between the EC and Trinamool delegation ends on acrimonious note

The Hindu Bureau
NEW DELHI

A meeting between the Trinamool Congress and the full bench of the Election Commission ended on an acrimonious note on Wednesday, with each side accusing the other of inappropriate behaviour.

While the Trinamool delegation, comprising its Rajya Sabha leader Derek O'Brien, deputy leader Sagarika Ghose, and Saket Gokhale and Menaka Gururwamy, MPs, alleged that Chief Election Commissioner (CEC) Gyanesh Kumar asked them to "get lost", poll body sources said the Commission had asked Mr. O'Brien not to raise his voice.

"Derek O'Brien shouted at the Election Commission and asked CEC not to speak. The CEC requested Mr. Derek O'Brien to maintain decorum of the Commission room. Shouting and indecent behaviour is not appropriate," the source said.

The Commission later posted on X that its "straight-talk to Trinamool Congress" was that "this time, the elections in West Bengal would surely be: fear-free, violence-free, intimidation-free, inducement-free and without any chappa [rigging], booth jamming and source jamming."

The Trinamool delegation met the Commission a day after it emerged that 90 lakh voters had been deleted from the electoral roll in West Bengal following the adjudication process of the Special Intensive Revision (SIR). Mr. O'Brien told the me-



Gyanesh Kumar with Election Commissioners S.S. Sandhu and Vivek Jeshi at the meeting with a Trinamool delegation. PTI

dia that the delegation handed over nine letters written by West Bengal Chief Minister Mamata Banerjee to the CEC, which have not been acknowledged.

"We asked the CEC how he can ensure the conduct of free and fair elections when such tainted officers are being appointed in Bengal. To this, his answer was 'get lost'. We told the CEC we would not listen to him because he does not allow his colleagues to speak. We have attended eight or nine meetings like this, where none other than the CEC speaks," he said.

Mr. O'Brien said that one of the Trinamool leaders present 'congratulated' Mr. Kumar on being the first CEC in history to have notices seeking his removal submitted in Parliament.

Many Trinamool leaders took to X to reject the poll body's claims of inappropriate behaviour by the delegation.

Ms. Ghose called the poll panel's claim a "blatant lie", and said "none of this was said to the four-member delegation".

"Two lines were said to us by the Chief Election

Commissioner 'Vanish' Kumar. The first line: where is your authorised signatory. And the second most shameful two words: 'get lost'," Ms. Ghose said.

Mr. Gokhale, in a post on X, accused the Commission of singling out one political party.

Later in the day, civil society activists Yogendra Yadav, Prashant Bhushan and others attacked the SIR in West Bengal, accusing the Commission of "deliberately" targeting Muslim voters.

Mr. Yadav gave a detailed presentation and said the ongoing SIR was a "special impediment removal" exercise. "It is no intensive, it is intensively targeted. It is not revision, it is rewriting."

Illustrating his point, he gave the example of Nandigram, where he said, 25% of the voters are Muslims. "95% of deletions here were Muslims voters," he said.

The maximum number of voters has been deleted from Murshidabad, Malda and Uttar Dinajpur districts, which are predominantly Muslim in composition. Mr. Yadav said the next group to be targeted are women.

- Ignoring communications from state leadership.
- Appointment of "tainted" officials.
- ECI countered with allegations of indiscipline and disruption.
- ECI's Position Asserted commitment to:
 - Free and fair elections.
 - Elimination of malpractices like booth capturing, intimidation, inducement.
- Concerns Raised by Civil Society SIR described as:
 - "Rewriting" rather than revision.
 - Potentially discriminatory.
- Data cited:
 - Example: Nandigram—95% deletions allegedly from Muslim voters.

KEY HIGHLIGHTS

Context of the News

- A meeting between Trinamool Congress and the Election Commission of India turned acrimonious over alleged misconduct and electoral concerns.
- Dispute centered around the Special Intensive Revision (SIR) of electoral rolls in West Bengal.
- Allegations surfaced regarding deletion of nearly 90 lakh voters.
- Political leaders including Derek O'Brien and Gyanesh Kumar exchanged accusations of inappropriate conduct.
- Civil society actors like Yogendra Yadav and Prashant Bhushan raised concerns about targeted disenfranchisement, particularly of minorities and women.

Key Points

- Electoral Roll Revision Issue Special Intensive Revision (SIR) led to deletion of ~90 lakh voters.
- Highest deletions reported in Murshidabad, Malda, Uttar Dinajpur.
- Allegations of disproportionate impact on Muslim voters.
- Political vs Institutional Conflict TMC accused the Election Commission of:
 - Lack of transparency.

Static Linkages

- Article 324: Superintendence, direction, and control of elections vested in ECI.
- Representation of the People Act, 1950: Preparation and revision of electoral rolls.
- Universal Adult Suffrage: Every citizen (18+) has right to vote (Article 326).
- Concept of Free and Fair Elections: Basic structure doctrine (as per Supreme Court).
- Electoral Roll Revision Types: Summary revision, intensive revision, continuous updating.
- Booth capturing defined under RPA, 1951 (Section 135A).

Critical Analysis

Pros

- Cleans electoral rolls → reduces bogus voting.
- Strengthens electoral integrity.

Cons

- Risk of mass disenfranchisement.
- Allegations of targeted exclusion.
- Lack of transparency → institutional distrust.

Way Forward

- Ensure transparent criteria for deletions.
- Strengthen grievance redressal mechanism.
- Conduct independent audits of revision process.
- Promote inclusive electoral practices.

Ancient reservoir unearthed on Elephanta

T.S. Subramanian

As we trudged through the scrub jungle on a hill on the Elephanta Island off the Mumbai coast on March 17, Abhijit Ambekar declared with a flourish, "We will show you the wonder-discovery of our excavation." Professor Abhijit Dandekar chipped in, "It is a show-stopper."

As we reached the trench, where several men and women were excavating the soil deep below, it was clear that it was a spectacular discovery. There it was: a series of steps leading to a reservoir below.

Dr. Ambekar, director of the current excavation and Superintendent Archaeologist, Mumbai Circle of the Archaeological Survey of India (ASI), estimated the

stepped reservoir to be about 1,500 years old.

"It is a massive structure – about 14.7 metres long, and 6.7 metres and 10.8 metres wide, forming a T-shape. The excavation has reached a depth of five metres so far. We have exposed 20 steps. The steps are built with stone blocks, which are not from the island. They were ferried from the mainland," he said.

While rock-cut cisterns have been found earlier on the Elephanta Island, the discovery of this stepped reservoir was important because it was a carefully designed architecture for storing water, Dr. Ambekar said. "Although the island receives a large amount of rainfall from the monsoon, very little seeps into the



The stepped reservoir excavated by the Mumbai Circle of the ASI on Elephanta Island, off the Mumbai coast. ASI

soil because of the island's rocky nature, and the water runs off into the sea," he said.

The ASI's Mumbai Circle began the excavation here in November 2025. It has excavated 19 trenches, each measuring 10 metres x 10 metres.

The excavation has so far yielded a beautifully

built brick structure, which could be a dyeing vat for colouring textiles, a big storage pot, terracotta figurines, glass and stone bangles, beads made of carnelian and quartz and stone anchors. A total of about 3,000 amphorae sherds of Mediterranean origin and torpedo jar sherds from West Asia, in-

cluding Mesopotamia, have been unearthed. Amphorae and torpedo jars were used for storing wine, oil and fish sauce. Their potsherds showed the island's long-distance maritime contacts.

Importantly, 60 copper, lead and silver coins have so far been found in the excavations. Several copper coins have been identified as belonging to ruler Krishnaraja of the Kalachuri dynasty of the sixth century CE, said Dr. Abhijit Dandekar, Department of Ancient Indian History, Culture and Archaeology of Deccan College, Pune. The identification was made on the basis of the motif of a seated bull on the obverse and a temple symbol with the legend of Sri Krishnaraja on the reverse, he said.

- Identified coins of Krishnaraja of Kalachuri dynasty (6th century CE).
- Motifs: seated bull (obverse), temple symbol with legend "Sri Krishnaraja" (reverse).

Maritime & Cultural Significance Confirms Elephanta as a node in ancient Indian Ocean trade networks.

- Links with Roman world and West Asia, consistent with classical sources like Periplus of the Erythraean Sea.

KEY HIGHLIGHTS

Context of the News

- The Archaeological Survey of India (ASI), Mumbai Circle, has undertaken excavations on Elephanta Island since November 2025.
- A 1,500-year-old stepped reservoir has been discovered, indicating advanced water management practices.
- The excavation also revealed evidence of extensive maritime trade networks through foreign artefacts.
- The site is already globally significant due to the Elephanta Caves (UNESCO World Heritage Site).

Key Points

- Stepped Reservoir Discovery Dimensions: ~14.7 m long; 6.7 m & 10.8 m wide (T-shaped).
- Excavated depth: ~5 m with ~20 visible steps.
- Constructed using imported stone blocks from mainland → indicates organized labour & logistics.
- Demonstrates advanced hydrological planning despite high rainfall but poor percolation due to rocky terrain.
- Other Archaeological Finds Brick structure (possibly a dyeing vat) → suggests textile-related activities.
- Artefacts: terracotta figurines, beads (carnelian, quartz), bangles, anchors.
- ~3,000 amphorae sherds (Mediterranean origin) and torpedo jars (West Asia/Mesopotamia) → evidence of long-distance trade.
- Storage items used for wine, oil, fish sauce.
- Numismatic Evidence ~60 coins (copper, lead, silver).

Static Linkages

- Stepwells and reservoirs as traditional water conservation systems in peninsular India.
- Rock-cut architecture and cave traditions (Gupta/post-Gupta period).
- Indian Ocean trade routes linking India with Rome, Egypt, and Mesopotamia.
- Use of amphorae in Indo-Roman trade (archaeological evidence from Arikamedu).
- Coinage as a primary source for reconstructing political history.
- Role of monsoon winds in facilitating ancient maritime trade.

Critical Analysis

- Significance
 - Shows scientific water management in ancient India.
 - Confirms global trade connectivity (Mediterranean–West Asia–India).
 - Highlights Elephanta as a multi-functional site (religious + economic).
- Challenges
 - Conservation issues due to coastal erosion and tourism pressure.
 - Need for scientific excavation and timely publication.
 - Limited integration of such findings into policy and education.

Way Forward

- Strengthen ASI funding and technical capacity.
- Use digital documentation (3D mapping, GIS).
- Integrate traditional systems into modern water conservation programmes.
- Promote sustainable heritage tourism.
- Encourage research collaborations (ASI + academic institutions).

India to engage new govt. of Bangladesh constructively: MEA

Relations will not be 'held hostage' to one issue, say Bangladesh sources privy to the discussion, referring to the issue of former PM Sheikh Hasina's presence in India; both sides agree to explore proposals for deepening the partnership

Kalid Bhattacharjee
Sahana Haldar
New Delhi



Foreign Minister S. Jaishankar and his Bangladesh counterpart, Khalilur Rahman, during a meeting in New Delhi on Wednesday.

India will engage the 'new government' of Bangladesh and the two sides will 'deepen' bilateral ties, said the Ministry of External Affairs (MEA) on Wednesday after External Affairs Minister S. Jaishankar hosted Bangladesh Foreign Minister Khalilur Rahman and Prime Minister Tarique Rahman's Foreign Affairs Minister Islamayun Kobi in New Delhi.

Following the talks, the Ministry of Foreign Affairs (MEA) of Bangladesh said Mr. Khalilur Rahman conveyed Dhaka's desire to conduct foreign policy in accordance with the principle of 'Bangladesh First' and called for the extradition of former Prime Minister Sheikh Hasina.

However, sources in the Bangladesh side privy to the discussion told The Hindu that broader bilateral relations would not be 'held hostage' by Ms. Hasina's presence in India.

MEA said in a statement after the two teams wrapped up their meeting. An MEA statement said the two sides agreed on 'follow-up official meetings' that were expected to take place at an early date.

Mr. Jaishankar said the two sides 'discussed strengthening our bilateral relations in various facets' and discussed regional and global developments. 'Agreed to remain in close touch,' he said.

The External Affairs Minister reiterated India's desire to engage constructively with the new government and further strengthen bilateral ties. The two sides agreed to explore proposals for deepening the partnership through the relevant bilateral mechanisms,' the MEA said in a statement after the two teams wrapped up their

Pakistan, Bangladesh's Foreign Minister said Mr. Khalilur Rahman 'thanked' the Indian government for 'apprehending the suspected killers' of young Islamist leader Osman Hadi and 'reiterat- ed' Dhaka's request for extradition of Ms. Hasina and former Home Minister Asaduzzaman Khan Kamal, both of whom were given death sentence by the ICT in Dhaka.

However, Bangladesh sources privy to the discussion said Dhaka did not want relations to be 'held hostage' to the issue of Ms. Hasina's presence in India but they would seek assurances that her public statements would be cur- tailed, and she would not be allowed to 'use Indian territory' for political pur-

poses. They also raised their disappointment over the cancellation of FC contract for Mustafizur Rahman, popular cricketer of Bangladesh, over India's concerns regarding rights of minority communities from the T20 World Cup in January. Bangladesh officials indicated that they will work to keep sporting ties on track and cited that the Bangladesh Cricket Board has decided to invite the Indian team to play a test series later this year.

Mr. Khalilur Rahman, who arrived here on Tuesday, is the first high-level dignitary to be welcomed here for a bilateral engagement from Bangladesh since the fall of Ms. Hasina's government in August 5, 2024. He visited India in November 2025 while serv-

ing the interim government led by Mohammed Yunus as the National Security Adviser of Bangladesh.

Visa issues According to the MEA of Bangladesh, the Indian side has given indication that issuance of Indian visas has remained slow for more than one and half years will be addressed soon. 'During the discus- sions, Mr. Jaishankar said India's visa to Bangladeshis, particularly medical and business visas, would be eased in the coming weeks,' said the MEA in a press note.

Following the meeting, the guests met Minister for Petroleum and Natural Gas Hardeep Singh Puri and conveyed Dhaka's appreciation for the March 10 supply of 5,000 metric tonnes of high speed diesel.

According to the MEA, they further requested to increase the volume of supply of diesel and fertilis- ers. Mr. Puri indicated that the Government of India will consider the request readily and favourably. Mr. Khalilur Rahman will leave on Thursday for Mauritius where he will participate in the Indian Ocean Conference being organised by the India Foundation, Ministry of External Affairs and the Government of Mauritius.

- Important for cross-border mobility and healthcare dependence.
- Economic & Energy Cooperation Bangladesh requested:
 - Increased diesel supply
 - Higher fertiliser exports
- India signaled favourable consideration.
- Recent supply: 5,000 metric tonnes of diesel (March 2026).
- Sports Diplomacy Efforts to maintain ties:
 - Bangladesh invited India for a Test cricket series.
 - Concern raised over cancellation of IPL contract for Bangladeshi player.
- Regional Diplomacy Participation in Indian Ocean Conference highlights shared maritime interests.

KEY HIGHLIGHTS

Context of the News

- India, led by S. Jaishankar, hosted a high-level delegation from Bangladesh led by Khalilur Rahman.
- This marks the first major bilateral engagement after the fall of Sheikh Hasina's government (August 2024).
- Bangladesh's new leadership emphasized a "Bangladesh First" foreign policy approach.
- India reiterated its commitment to constructive engagement and deepening ties with the new dispensation.
- Key issues discussed:
 - Security cooperation and regional stability
 - Extradition request for Sheikh Hasina
 - Trade, energy, and connectivity
 - Visa facilitation and people-to-people ties

Key Points

- Diplomatic Engagement India agreed to continue engagement through bilateral mechanisms.
- Decision to hold follow-up official meetings soon.
- Security Assurance Bangladesh assured India:
 - Its territory will not be used against Indian interests.
 - No intent to enter security alliances with external powers (e.g., China, U.S., Pakistan).
- Extradition Issue Bangladesh requested extradition of Sheikh Hasina and former Home Minister.
- However, Dhaka clarified that bilateral ties will not be held hostage to this issue.
- Visa Liberalisation India indicated easing of:
 - Medical visas
 - Business visas

Static Linkages

- India's Neighbourhood First Policy and Act East Policy.
- Extradition principles: governed by bilateral treaties and international law norms.
- Importance of buffer states in geopolitics (South Asia context).
- Energy diplomacy as a tool of foreign policy (diesel, power trade).
- Soft power diplomacy: sports, visas, cultural exchanges.
- Security doctrine: preventing cross-border terrorism and insurgency.
- Role of Indian Ocean Region (IOR) in strategic affairs.

Critical Analysis

Positives

- Ensures continuity in neighbourhood engagement despite regime change.
- Strengthens security cooperation in sensitive eastern border.
- Counters China's strategic influence in Bangladesh.
- Promotes economic interdependence (energy, trade).

Challenges

- Political instability in Bangladesh → policy uncertainty.
- Extradition issue → potential diplomatic friction.
- Domestic politics & minority concerns → trust deficit.
- Strategic competition in Bay of Bengal → geopolitical pressure.

Way Forward

- Institutionalize regular diplomatic dialogues.
- Enhance connectivity (rail, waterways, ports).
- Expand energy cooperation (grid integration, fuel supply).
- Address sensitive issues via legal frameworks, not politics.
- Promote people-to-people ties & soft diplomacy.
- Maintain strategic balance vis-à-vis China.

To say that sports is an emotion in India is an understatement. Although cricket takes up most of the mindshare, the sports ecosystem in India is evolving rapidly with athletes such as Neeraj Chopra and Lakshya Sen bringing attention to the diversity in sports in the right manner. But besides viewership and athletes, the sports ecosystem comprises several key players that keep the growth engine running. One such important, but rather overlooked, component is that of sports goods manufacturing.



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As per the report, industry data show that Indian firms encounter on average a 15% cost disadvantage when compared to their peers in China and Pakistan. For example, a football produced in India might cost ₹100, while competing partners might be able to produce it for only 85-87. This gap, which is a result of factors such as higher input prices, inefficient logistical planning, and limited economies of scale, greatly reduces export competitiveness and impacts the pricing power that companies have.

The core issues
Making high-performance sports equipment requires feature-specific items such as specialised polymers, performance fabrics, carbon composites and precision tooling. The issue is that not all of these are produced domestically, and those that are made locally are manufactured on an extremely limited scale. Moreover, import duties on such components, as well as on advanced manufacturing machinery, drive up production costs. For MSMEs which function with extremely low margins, these additional levies essentially hinder the possibility of investing not only in technology upgrades but also in product diversification.

Issues related to ease of doing business aggravate the problem. Manufacturing is mainly concentrated in the northern parts of India, which leads to extremely high logistics costs when exporting goods through distant ports. On top of that, rising land prices, fragmented industrial infrastructure, and industrial delays on account of compliance are some of the other factors that keep on eroding operational efficiency. As these challenges are structural rather than cyclical, smaller firms with weak financial strength are most affected.

Another problem is certification and standards compliance. Globally traded sports equipment must meet the very stringent performance standards laid down by international federations. India lacks certified production facilities that meet international standards for most sports categories; therefore, manufacturers must have their products validated by European labs.

Testing expenses can range from ₹5 lakh to ₹50 lakh per stock keeping unit (SKU) which is an enormous amount for an MSME. Apart from the direct monetary costs, a prolonged certification process also delays market launches, which in turn discourages experimentation and, consequently, impedes innovation.

There are many reasons why the sports sector in India is not expanding rapidly, one of which is demand-side problems. India has, by and large, failed to create sports brands with worldwide appeal, similar to those for cricket equipment, that could command premium pricing. The main reasons for the lack of organic global demand for

Indian sports equipment are low marketing investments, few international brand partnerships, and the absence of long-term, athlete-brand relationship-driven demand. Hence, most domestic firms today focus on contract manufacturing at the lowest-value end of the spectrum, whereas they should be aiming for original brand ownership.

Reform, support, upgrade
Addressing these issues is complex and requires a balanced approach. The report outlines a clear pathway with key recommendations. First, rationalise import duties on specialised raw materials and advanced machinery to regain price competitiveness. Second, provide targeted fiscal support, such as export-linked incentives, offsetting certification costs, and aiding participation in international trade platforms. Third, India should leverage its advantage in production scale, and shift toward higher-value, performance-oriented equipment.

In the medium term, India must also establish internationally recognised testing and certification centres, which reduce compliance costs, facilitate quicker time-to-market for new innovations, and showcase India's intent to be a standards-setting player rather than just a supplier.

Finally, by investing in local raw materials, especially advanced composites and performance fabrics, India can gradually reduce imports and improve supply availability. On the demand side, relying solely on contract manufacturing is insufficient; building strong domestic brands is essential. A unified national campaign involving top athletes, sports federations, industry bodies, and government departments can help showcase Indian sports equipment globally.

Utilising strategic procurement methods linked with India's forthcoming international sporting events can generate a short-term demand uplift while also promoting domestic production to global buyers.

For long, India has supplied sports goods mainly through indirect global value chains. The next decade offers a chance to change this. With growing domestic sports activity, a reshaping of global supply chains, and opportunities from hosting major international events, the ingredients for change exist. What is lacking is a strategic, well-executed plan to shift from scattered traditional production to large-scale, advanced manufacturing. If India seizes this opportunity, it could become a key player in the global sports economy and set new trends in how sports are played worldwide.

Static Linkages

- MSME sector contribution to GDP, employment (Economic Survey)
- Cluster-based industrial development (Industrial Policy)
- Global Value Chains (GVCs) integration (NCERT – Indian Economy)
- Import substitution vs export promotion strategy
- Role of logistics in competitiveness (National Logistics Policy)
- Standards and certification (BIS, WTO-TBT Agreement)
- Make in India and Production Linked Incentive (PLI) schemes
- Technical textiles and manufacturing ecosystems
- Ease of Doing Business reforms
- Sports as an economic sector (Khelo India, Sports Policy)

Critical Analysis

Pros

- High employment potential (labour-intensive sector)
- Strong traditional clusters & skill base
- Opportunity from global supply chain diversification

Cons

- Structural inefficiencies → high production cost
- Low value addition & innovation
- Poor branding → stuck in low-value segment
- High compliance & certification burden

Way Forward

- Rationalise import duties on specialised inputs & machinery
- Establish domestic testing & certification centres
- Provide export incentives & certification cost support
- Promote cluster-based modernisation & technology adoption
- Improve logistics connectivity to ports
- Develop global Indian sports brands (athlete-led branding)
- Integrate with technical textiles, plastics & engineering sectors

Diverse manufacturing landscape

India's manufacturing footprint in sports equipment is geographically concentrated and operationally fragmented. Primary production is primarily hinges on old, well-established centres such as Jalandhar (Punjab) and Meerut (Uttar Pradesh), which together hold more than an 80% share of domestic output. The sports equipment industry in India is small in terms of production volume and is largely dominated by micro, small, and medium enterprises (MSMEs) engaged in labour-intensive segments such as stitched balls, cricket gear, protective accessories and entry-level fitness equipment. If, on the one hand, this artisanal skill base has sustained the industry for a long time, on the other hand, it has restricted scaling, the adoption of new technologies, and the emergence of internationally recognised brands.

One key characteristic of the sector is the high level of diversity in sports equipment manufacturing compared to other sectors. Raw materials, machinery and the techniques of making footballs, for example, are entirely different from the ones required for making hockey sticks or golf shafts. This vast range of differences makes effective policy design exceedingly difficult and often leads to generic interventions that overlook category-specific realities.

To understand the right ways to compete at a global level, we first need to find out what makes local manufacturers inherently less cost-efficient.

Critical structural problems are preventing India's sports equipment industry from reaching its full potential

KEY HIGHLIGHTS

Context of the News

- NITI Aayog and Foundation for Economic Development released a report on “Realising the export potential of the sports equipment manufacturing market in India.”
- India contributes only ~0.5% of the ~\$50 billion global sports goods trade, despite strong cultural engagement with sports.
- Manufacturing is concentrated in clusters like Jalandhar and Meerut, dominated by MSMEs.
- The report highlights structural inefficiencies, cost disadvantages, and lack of global competitiveness.

Key Points

- India faces a ~15% cost disadvantage compared to competitors like China and Pakistan.
- Sector is labour-intensive and MSME-driven, limiting economies of scale.
- High dependence on imported specialised raw materials (polymers, composites, fabrics).
- Import duties on machinery and inputs increase production costs.
- Lack of international-standard testing and certification facilities in India.
- Certification costs range from ₹5 lakh to ₹50 lakh per SKU, burdening MSMEs.
- Logistics inefficiencies due to cluster concentration away from ports.
- Limited global branding and marketing, leading to contract manufacturing dominance.
- Absence of athlete-brand ecosystems and weak domestic brand recognition globally.

Jan Vishwas 2.0 is all about trust-based compliance

The passage of the Jan Vishwas (Amendment of Provisions) Bill, 2026 by Parliament reflects a conscious and hard-looking policy choice by the Government to recalibrate the balance between coercion and facilitation, and to embed trust as a central pillar of the regulatory framework. The reform signals a clear departure from reliance on criminal sanctions toward a proportionate, predictable, and facilitative approach to compliance. In recent years, the decriminalisation of minor offences related to offences has emerged as a core element of India's reform agenda. The underlying theme has been consistent: to rationalise compliance requirements, enhance ease of doing business and foster a regulatory culture that promotes voluntary compliance rather than driven adherence. Excessive criminalisation and procedural lapses had created compliance anxiety, discouraged entrepreneurship, and diverted administrative resources from more serious violations.

The reform journey began with the Jan Vishwas (Amendment of Provisions) Act, 2023, which decriminalised minor offences by amending 183 provisions across 42 Central Acts administered by Ministries and Departments. By replacing criminal penalties for technical and procedural compliances with civil penalties or administrative measures, it significantly reduced compliance burden on businesses and citizens, improving both ease of doing business and ease of living. Building on this foundation, the 2026 Bill, commonly referred to as the Jan Vishwas 2.0, marks a decisive scale-up of this reform. The Bill proposes amendments to 784 provisions across 79 Central Acts administered by Ministries and Departments, including the decriminalisation of 717 provisions. It also rationalises the statute book by removing obsolete and redundant offences, thereby



Chandrajit Banerjee
Director General,
The Confederation of
Indian Industry (CII)

Driven by clarity and proportionality, Jan Vishwas 2.0 will help shift Indian businesses toward a trust-based compliance culture

strengthening the coherence and credibility of India's overall regulatory architecture.

Extensive engagement between government, industry bodies, experts and other stakeholders has helped identify provisions where criminal liability was disproportionate to the nature of the offence. Such sustained dialogue has been critical in ensuring that regulatory objectives are preserved even as enforcement mechanisms are made more facilitative. Going forward, continued consultation will remain essential to keep regulation aligned with evolving economic realities.

A process of engagement

The Confederation of Indian Industry (CII) has shaped this reform agenda through sustained, evidence-based policy input and engagement. Industry representations consistently highlighted a large number of statutory offences related to minor and procedural lapses – delays in filings, documentation gaps or clerical errors – that did not warrant criminal prosecution. The CII has emphasised that decriminalisation of such offences strengthens compliance rather than diluting enforcement.

The CII's advocacy has gone beyond decriminalisation alone. A persistent industry recommendation has been to move away from court-imposed 'fines' toward a system of regulatory 'penalties' administered by executive authorities, with clear rules, proportionality, and time-bound resolution. The CII has also stressed the need for the retrospective application of decriminalisation reforms, covering cases currently pending in criminal courts. The Jan Vishwas 2.0 seems to address these long-standing concerns very well.

At a broader level, the Jan Vishwas 2.0 reflects a fundamental shift in regulatory philosophy, from criminalisation to trust, proportionality and economic efficiency. It recognises that most technical or procedural violations occur without mala fide intent and are better resolved through civil or administrative mechanisms. The reform explicitly retains stringent enforcement for

serious offences where public interest, safety, environmental protection or national priorities are involved. The amendments span key sectors such as exports, textiles, the environment, and transport, and introduce graded enforcement mechanisms, including warnings and lower penalties for first-time or minor violations. Such measures should reduce regulatory uncertainty and boost confidence, especially for micro, small and medium enterprises (MSME) facing high compliance burdens.

Reduces 'court congestion'

These reforms could significantly help India's overburdened judiciary. With nearly 50 million cases pending in courts – many for minor procedural or technical violations – shifting such matters out of criminal courts can reduce congestion and improve efficiency. Government indications, post the passing of the Bill in Parliament, suggest many pending minor cases may be reviewed for closure under the revised framework.

The Bill also advances trust-based regulation by introducing tools such as improvement notices and proportionate penalties for first-time contraventions. This approach recognises the reality that most businesses and citizens act in good faith and comply more effectively in a regulatory environment that is clear, predictable and fair.

The success of the Jan Vishwas 2.0 will depend on effective implementation. Strengthening institutional capacity for administrative adjudication, ensuring uniform enforcement practices, and issuing clear guidance to regulated entities will be critical to realising the full benefits of the reform for industry and citizens.

By decisively moving towards a trust-based, proportionate and growth-oriented framework, the Jan Vishwas 2.0 has the potential to create a more predictable, transparent and investor-friendly environment. Ultimately, the reform reinforces a simple yet powerful principle: compliance works best when driven by clarity, proportionality, and – above all – trust.

- Likely to reduce judicial burden (India has ~5 crore pending cases).
- Provision for review/closure of pending minor criminal cases.
- Industry bodies (e.g., CII) advocated:
 - Replacement of fines with penalties
 - Retrospective application for pending cases
- Retains strict penalties for serious offences (public safety, environment, national interest).

Static Linkages

- Rule of Law: Proportionality in punishment
- Doctrine of Reasonableness (Administrative Law)
- Ease of Doing Business reforms (Economic Survey)
- Separation of Powers – Role of judiciary vs executive adjudication
- Criminal Justice System – Overburdened courts (NCRB data)
- Principles of Natural Justice in administrative adjudication
- Regulatory Governance & Compliance Frameworks
- MSME policy support (Ministry of MSME)

Critical Analysis

Pros

- Reduces criminalisation of business activity
- Improves investment climate
- Decreases judicial backlog
- Encourages voluntary compliance
- Supports MSMEs

Cons

- Risk of weakened deterrence
- Possible executive overreach in adjudication
- Concerns in environmental enforcement
- Implementation challenges across ministries

Way Forward

- Ensure uniform enforcement guidelines
- Strengthen administrative adjudication capacity
- Maintain strict action for serious offences
- Provide appeal mechanisms
- Increase digital compliance systems
- Periodic review of decriminalised provisions

KEY HIGHLIGHTS

Context of the News

- Parliament passed the Jan Vishwas (Amendment of Provisions) Bill, 2026 (Jan Vishwas 2.0) aimed at further decriminalising minor business-related offences.
- Builds upon the Jan Vishwas Act, 2023, which amended 183 provisions across 42 Central Acts to replace criminal penalties with civil ones.
- The 2026 Bill proposes:
 - Amendments to 784 provisions across 79 Central Acts
 - Decriminalisation of 717 provisions
- Objective: Shift from punitive regulatory framework to trust-based governance emphasizing ease of doing business and compliance.
- Reform is aligned with India's broader economic agenda of improving regulatory quality and reducing compliance burden.

Key Points

- Focus on decriminalisation of minor, technical, and procedural offences (e.g., delays, documentation errors).
- Introduction of civil penalties and administrative adjudication mechanisms instead of criminal prosecution.
- Covers 23 Ministries/Departments, expanding regulatory reforms across sectors like environment, transport, exports, textiles.
- Emphasis on:
 - Proportional penalties
 - Graded enforcement (warnings, reduced penalties for first-time offences)
- Encourages voluntary compliance over fear-driven compliance.

A respite

The U.S. should not allow Israel to sabotage the ceasefire with Iran

After demanding Iran's unconditional surrender and threatening to erase its civilisation, U.S. President Donald Trump, on April 8, agreed to a two-week ceasefire and to hold direct talks with Tehran on the basis of its 10-point peace formula. Iran has said that it will honour the truce and allow the "safe passage" of vessels through the Strait of Hormuz. This war need not have been launched in the first place. The U.S. and Iran had held multiple rounds of talks and Omani and British officials said that a deal was within reach. But Mr. Trump, aided and abetted by Israeli Prime Minister Benjamin Netanyahu, ordered the bombing of Iran on February 28, killing its Supreme Leader, Ayatollah Ali Khamenei, and several others. Mr. Trump gravely miscalculated Iran's response; it regionalised the conflict by attacking U.S. bases across the Gulf and dragged the global economy into it by taking control of the Strait. True, the U.S. and Israel pulverised Iran over the past 40 days. Yet, the U.S. did not have an easy option to reopen the Strait. Remarkably, Mr. Trump's central demand to end the war was for Iran to reopen the Strait that was open before he launched the war.

On day 1 of the war, Mr. Trump set several sweeping objectives, including destroying Iran's missile capabilities, its navy, nuclear programme and pursuing regime change. None has been met. The war has pushed up oil, gas and food prices, aggravating economic woes worldwide. In Iran's latest 10-point proposal, Tehran has reaffirmed its control over the Strait of Hormuz, demanded a removal of all sanctions and guarantees against future aggression. Far from weakening Iran, the U.S.-Israel war has left it strategically stronger in an increasingly fragile region. If Mr. Trump has realised, even belatedly, the scale of his misjudgement, it is good news for West Asia. Pakistan deserves credit for its constructive diplomatic efforts that helped bring the two sides closer. But the ceasefire is only a beginning. Wide gaps remain between the U.S.'s 15-point proposal and Iran's 10-point formula. Iran and Pakistan say the truce applies on all fronts, including Lebanon. Mr. Netanyahu, while welcoming the ceasefire, has ruled out any halt to Israeli attacks in Lebanon. For peace and stability in the region, Israel and its militarism must be reined in. Finally, Mr. Trump must realise that his incendiary rhetoric, his vulgarism and genocidal threats are not just a disgrace to the office he holds but also counterproductive in international diplomacy. He should watch his words and focus on securing a durable peace if he wants to escape the mess he has put himself in.

KEY HIGHLIGHTS

Context of the News

- The U.S. and Iran agreed to a two-week ceasefire (April 2026) after ~40 days of conflict.
- The conflict began with U.S.-led strikes targeting Iran's leadership and strategic assets.
- Iran retaliated by:
 - Attacking U.S. bases in the Gulf
 - Disrupting control over the Strait of Hormuz, escalating global concerns
- Diplomatic mediation by regional and external actors helped initiate talks.
- Iran proposed a 10-point peace formula; the U.S. has a 15-point proposal, indicating unresolved issues.

Key Points

- Strategic chokepoint: Strait of Hormuz handles ~20% of global oil trade (EIA estimates).
- Global impact:
 - Rise in oil, gas, and food prices
 - Supply chain disruptions
- U.S. objectives unmet:
 - No regime change
 - Limited success in dismantling nuclear/missile capability

- Iran's position strengthened:
 - Asserted control over maritime routes
 - Demonstrated regional deterrence
- Ceasefire fragility:
 - Continued tensions due to divergent demands
 - Regional spillover (e.g., West Asia instability)

Static Linkages

- Strait of Hormuz:
 - Connects Persian Gulf to Gulf of Oman
 - Major global maritime chokepoint
- India's Energy Security:
 - ~85% crude oil import dependence (Economic Survey)
- Sanctions:
 - Tool of economic statecraft (can be unilateral/multilateral)
- Balance of Power:
 - Core concept in international relations
- Key chokepoints:
 - Hormuz, Malacca, Bab-el-Mandeb

Critical Analysis

Positives

- Immediate de-escalation of conflict
- Scope for diplomatic negotiations

Negatives

- Global economic instability
- Weak enforcement of ceasefire
- Continued regional tensions

Challenges

- Trust deficit between parties
- Divergence in peace proposals
- Risk to maritime security

Way Forward

- Promote multilateral diplomacy
- Ensure freedom of navigation (UNCLOS principles)
- Diversify energy sources
- Strengthen strategic reserves
- Encourage regional dialogue

At long last

India must now revamp its nuclear regulatory regime

The Prototype Fast Breeder Reactor (PFBR) in Kalpakkam, Tamil Nadu, achieving first criticality is a genuine cause for satisfaction, albeit a measured one. A Parliamentary Standing Committee reported this year that the project's final cost is ₹8,181 crore, more than twice the sanctioned amount. Criticality itself is at least 16 years behind schedule; the fast reactor fuel cycle facility is expected to be commissioned by 2029, over a decade late. Poor planning and flawed procurement, abetted by political insulation, are the causes of the delay. The PFBR is the first commercial-scale component of the second stage of India's nuclear power programme. Its purpose is to use spent fuel, after reprocessing, from the first stage, and depleted uranium to produce more plutonium. In the final stage, reactors will use plutonium and thorium as fuel. The programme's design is based on India's abundant thorium deposits, but this sword cuts both ways. The nuclear establishment must also be scrupulous about the PFBR's performance as it is prepared for commercial operation, and admit mistakes or under-performance plainly. The goal is not to use thorium at any cost but to achieve energy security and self-sufficiency. If the economics of solar and wind power render the current nuclear power paradigm a poor allocation of scarce public capital, that finding should honestly determine policy.

Nuclear power contributes around 3% of India's electricity from 8.78 GW of installed capacity. The country has committed to becoming a net-zero economy by 2070 amid an energy demand growth that will be among the largest of any major economy over the next two decades. Nuclear power facilities are expected to consume 6% of the land area required for equivalent solar power generation per unit of electricity produced. Considering that India's biodiversity commitments depend on not converting green cover, nuclear power offers a non-trivial path forward. Breeder reactors are more fuel-efficient, and will also extend the fuel cycle and reduce dependence on uranium imports. The challenge is to realise these merits without squandering time and public money. This means fixing the problems that the PFBR throws up during commissioning, and proceeding with the planned FBR1 and FBR2 units at Kalpakkam based on lessons learned, without the opacity that has prevailed so far. The PFBR also comes online alongside the SHANTI Act, private nuclear power operations, the advent of small modular reactors, and a new liability regime. Now is an opportune time for India to revamp its regulatory regime. So far, the AERB and the DAE have reported to the Atomic Energy Commission, which is thus both the promoter and the regulator of nuclear energy. The government must resolve this administrative short-circuit before any new complexities arise.

KEY HIGHLIGHTS

Context

- Prototype Fast Breeder Reactor (PFBR) achieved first criticality.
- First commercial-scale Fast Breeder Reactor (FBR) of Stage-II of India's nuclear programme.
- Delay ~16 years; cost escalated to ₹8,181 crore (Parliamentary Committee).
- Linked with reforms: private participation, SMRs, liability regime changes.

Key Points

- Installed nuclear capacity: ~8.78 GW (~3% electricity).
- Reactor type: Sodium-cooled Fast Breeder Reactor.
- Fuel: MOX (Plutonium + Uranium).
- Function:
 - Uses spent fuel (Pu-239) from PHWRs
 - Produces more fissile material (breeding)
- Strategic Role:
 - Enables closed fuel cycle
 - Reduces uranium import dependence
 - Prepares for thorium utilisation (Stage III)
- Land efficiency: Nuclear needs ~6% land of solar per unit output.

Static Points

- Three-Stage Programme:
 - Stage I: PHWR (Natural Uranium → Plutonium)
 - Stage II: FBR (Plutonium + U-238 → More Plutonium)
 - Stage III: Thorium → U-233
- Criticality: Self-sustained chain reaction
- Fast Reactors: No moderator; use fast neutrons
- Thorium: Fertile (not fissile) → converts to U-233
- Civil Liability for Nuclear Damage Act, 2010

Critical Analysis

Pros

- Enhances energy security
- Supports net-zero 2070
- Efficient fuel use (breeding)
- Lower land footprint

Cons

- High cost + delays
- Competition from cheap renewables
- Safety risks (sodium coolant)
- Weak regulatory independence
- Uncertain economic viability

Way Forward

- Create independent nuclear regulator
- Improve transparency & accountability
- Compare with renewable economics
- Scale cautiously (FBR1, FBR2)
- Promote SMRs
- Strengthen parliamentary oversight

Summer heat and oil shock raise concerns for India's energy demand

Peak summer electricity demand, high crude oil prices, and West Asia tensions threaten to push India's energy demand, import bill and inflation higher; if elevated prices persist through the season, the consequences could ripple through household consumption and corporate margins

NEWS ANALYSIS

Arathi E.A.
CHENNAI

India's energy demand traditionally surges between April and June, on air-conditioning, irrigation, and industrial cooling. The scale of this rise has become increasingly stark. Peak electricity demand climbed from 190 GW in January 2023 to almost 250 GW in May 2024, underscoring growing energy appetite.

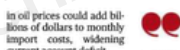
This year, however, the seasonal spike is arriving alongside a global oil disruption tied to tensions in West Asia. In early 2026, the Indian crude basket surged dramatically, from about \$60 per barrel at the start of the year to over \$140 by mid-March, marking one of the sharpest short-term increases in recent memory.

At the same time, India's petroleum consumption continues its steady upward trajectory with demand expected to reach record highs in the coming years. The impact is amplified as India imports about 85-90% of crude, almost 40% of this from West Asia.

Import bill, rupee
Higher oil prices inevitably feed into India's import bill and the effects are already rippling through financial markets. A sustained rise



Heating worries: As crude is priced in dollars, currency depreciation compounds the problem.



in oil prices could add billions of dollars to monthly import costs, widening current account deficit.

Investor sentiment has turned cautious. March saw a record outflow of foreign capital, with foreign institutional investors pulling out almost \$1.1 to \$1.2 billion from Indian equities, the largest such exodus on record. The rupee, under pressure, has weakened sharply, sliding toward historic lows near ₹94.8 per dollar. As crude is priced in dollars, currency depreciation compounds the problem as a weaker rupee makes imports more expensive.

Risks linger
U.S. President Donald

through the Hormuz from all over the world, that includes basic necessities such as food, meat and general merchandise," he added. "If the ceasefire extends into complete cessation of hostilities, only then can insurers breathe easy and look at easing war insurance pricing gradually," he noted.

Economic uncertainty is likely to persist as long as geopolitical tensions and active conflicts continue to disrupt global stability.

Food, fuel inflation
For now, inflation is within manageable bounds. India's consumer price inflation was 3.2% in February 2026, up from 2.7% in January, but still within the Reserve Bank of India's target range of 2-6%.

"If the impact persists throughout FY27, we estimate that India's real GDP growth could erode by around 1 percentage points, while CPI inflation could rise by approximately 1.5 percentage points from their baseline estimates of 7% and 4% respectively," an EY Economy Watch report said.

Policy rates unchanged
The Monetary Policy Committee (MPC), chaired by RBI Governor Sanjay Malhotra, kept the repo rate unchanged at 5.25% as the ongoing conflict in West Asia continues to cast a shadow over the global

economic outlook.

The RBI announced the decision following the conclusion of its MPC meeting on Wednesday.

The oil shock is also spilling into broader energy markets, compounding the stress of summer demand.

Tackling situation

With liquefied natural gas supplies constrained, the government has directed coal-fired power plants to operate at full capacity, defer maintenance and ensure uninterrupted supply during the April to June peak. State-owned Coal India reported its first sales growth in six months for March, reflecting higher coal stock build-up before peak summer demand amid gas shortages due to the West Asia conflict.

Meanwhile, Tata Power has restarted operations at its 4,150 MW Mundra thermal power plant after a shutdown of nearly nine months. The revival follows new power purchase agreements, including with Gujarat Urja Vikas Nigam Ltd. The move comes as the government pushes to maximise electricity generation amid rising demand.

However, if elevated prices persist through the season, the consequences could ripple through household consumption, corporate margins, and growth forecasts may face downward revisions.

- Thermal capacity revival (e.g., Mundra plant).
- Global Trade Risk Strait of Hormuz: critical oil transit route.
- War risk → shipping disruption + insurance costs ↑.

Static Linkages

- Energy security = availability + affordability + accessibility.
- Current Account Deficit (CAD) widens with rising imports.
- Imported inflation due to global commodity prices.
- RBI uses repo rate to manage inflation (indirect control).
- Strategic Petroleum Reserves (SPR) for supply shocks.
- Inelastic demand for energy in short run.
- Key chokepoints: Hormuz, Malacca.

Critical Analysis

Pros

- Push for energy diversification.
- Strengthening domestic coal and power readiness.

Cons / Challenges

- High import dependence → vulnerability.
- Oil price volatility → macro instability.
- Coal reliance → environmental costs.
- Rupee depreciation → inflationary pressure.

Way Forward

- Accelerate renewables (solar, wind, green hydrogen).
- Expand Strategic Petroleum Reserves.
- Promote domestic exploration (HELP policy).
- Improve energy efficiency (PAT, UJALA).
- Invest in battery storage & grid modernization.
- Diversify import sources and trade routes.
- Promote EVs & alternative fuels.

KEY HIGHLIGHTS

Context of the News

- Peak electricity demand rising: 190 GW (2021) → ~250 GW (2024).
- Seasonal surge (April–June) due to cooling, irrigation, industry.
- 2026 oil shock: Indian crude basket \$60 → \$140+ per barrel (short-term spike).
- Cause: West Asia geopolitical tensions.
- India's dependence:
 - 85–90% crude import
 - ~40% from West Asia
- Temporary easing after ceasefire signals → oil ~\$94/barrel, markets recovered.

Key Points

- Macroeconomic Impact Higher oil prices → import bill ↑ → CAD widens.
- Rupee depreciation (~₹94.8/\$) → imports become costlier.
- Financial Markets FII outflows: ₹1.1–1.2 lakh crore (March 2026).
- Stock market volatility linked to global oil prices.
- Inflation & Growth CPI inflation: 3.21% (Feb 2026) (within RBI target).
- Oil shock may:
 - Increase inflation by ~1.5%
 - Reduce GDP growth by ~1% (EY estimates).
- Energy Supply Response Coal plants at full capacity.
- Maintenance deferred to meet peak demand.
- Increased coal production (Coal India).

Shippers seek clarity as Iran still controls strait of Hormuz

M. Kalyanaraman
Debyan Tewari
CHENNAI

On Day 1 of ceasefire, nearly 10 vessels exited through the Strait of Hormuz have been reported by Rystad Energy, a Norway-based energy research firm. Of these, four are likely "dark" Iranian tankers, two are bulk carriers and one is a mid-size tanker. "Looking ahead, there is little expectation flows will normalise in the near term," says Erik Grundt, Senior Data Analyst at Rystad Energy. While ship owners and charterers were preparing for a quick exit, they were also awaiting clarity on the terms and conditions for transit given the indications that Iran still exercises de facto control over the strait.

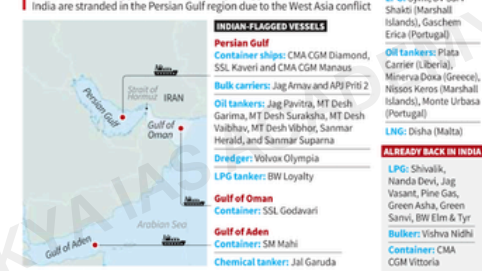
Technical limitations
Iran says safe passage will involve its armed forces and there are "technical limitations" though the U.S. President has talked about "complete, immediate safe opening." Secretary-General of the International Maritime Organization, Arsenio Do

minguez, has said that he is working with relevant parties to implement an appropriate mechanism to ensure the safe transit of ships through the strait.

Hundreds of ships are stranded west of the Persian Gulf, fearing attacks and damage to cargo, vessel structure and lives of seafarers. Among them were some 35 ships, either Indian-flagged or foreign flagged carrying cargo for India, three weeks into the war. Nearly 22 energy-critical vessels were marked for evacuation with Indian naval assistance. This included three LNG carriers, 12 LPG carriers and seven crude oil tankers. Eight Indian flagged LPG carriers have crossed the strait and come to India since then.

"Though ceasefire has been announced, we are waiting for clearance from Indian government before our ships will move. We understand that we are bringing supplies essential for the everyday lives of Indians. But the safety of our ships and lives of seafarers onboard are at stake," says a source among shipowners. He adds the war risk premiums are several

Homebound now
Some 25 Indian-flagged vessels and foreign-flagged ships bound for India are stranded in the Persian Gulf region due to the West Asia conflict



India-bound foreign-flagged ships

LPG: Sydni, DV Sarav Shakti (Marshall Islands), Gaschem Erica (Portugal)
Oil tankers: Plata Carrier (Liberia), Minerva Doka (Greece), Nissos Keros (Marshall Islands), Monte Urbasa (Portugal)
LNG: Disha (Malta)
ALREADY BACK IN INDIA
LPG: Shivalki, Nanda Devi, Jag Vasanti, Pine Gas, Green Asha, BW Elm & Tyr
Bulkers: Vishva Nidhi
Container: CMA CGM Vittoria

times higher for moving ships, so, choosing to move now is also a commercial decision. "We would like relief from government in terms of supporting our war risk insurance payments," he says. Before the war started, while Iran and Oman had territorial waters falling in the strait, no country controlled the transit of ships that was free. A few weeks into the war, Lloyd's List reported Iran had put in

place a system for approving ship transits that could have involved payments. There was a process and ships had to hug the Iranian coast and go around the Iranian Larak Island for visual approval as well. Transits, which had trickled to a handful following the start of war, then rose to 10% of pre-war levels in April, though many of them were Iran-linked. "As far as shipowners are concerned, it is still

Iran that remains in effective control of the strait and permission will need to be sought from the Islamic Revolutionary Guard Corps," says Richard Meade, editor-in-chief of Lloyd's List. Jakob Larsen, chief safety and security officer, of BIMCO, an international organisation representing shipowners, charterers and agents, says that the shipping industry is currently awaiting technical

details from the U.S. and from Iran on how to transit the Strait of Hormuz safely. "Leaving the Persian Gulf without prior coordination with the U.S. and Iran would entail heightened risk and would not be advisable," he says, adding Iran still reportedly has significant amounts of weapons to control shipping through the strait, including anti-ship missiles, drones, fast attack craft, coastal artillery and mines.

Likely transit fee

Meanwhile, Iranian Ambassador to China Abdolreza Rahmani Fazi told the media in Beijing that Iran is considering transit fee for the Strait of Hormuz.

Iran would work with the neighbouring countries to ensure safe passage through the Strait, but the "main safety guarantee would come from Iran", he said. At the peak of the conflict, there were 22 Indian-flagged vessels in the Persian Gulf region (West of Strait of Hormuz), two in the Gulf of Oman (East of Strait of Hormuz), one in the Gulf of Aden and two in the Red Sea. (With PTT inputs)

KEY HIGHLIGHTS

Context of the News

- Limited resumption of shipping observed after ceasefire in the Strait of Hormuz.
- Around 10 vessels exited on Day 1, but flows remain significantly below normal.
- Iran continues to exercise de facto control over transit, with approval mechanisms and possible transit fee proposals.
- Several India-linked vessels stranded due to security threats and high insurance costs.
- Global coordination efforts led by the International Maritime Organization for safe navigation.

Key Points

- Strait handles ~20% of global oil trade → critical chokepoint.
- Shipping reduced to ~10% of pre-war levels during peak conflict.
- Iran reportedly introduced transit approval system and may impose fees.
- Threats: missiles, drones, mines, fast attack craft.
- War risk insurance premiums increased sharply.
- India impacted: LNG, LPG, and crude oil carriers affected.
- Safe transit requires coordination with both Iran and U.S.

Static Linkages

- Chokepoint concept in world geography.
- UNCLOS: Right of transit passage in international straits.
- India's ~85% crude oil import dependence (Economic Survey).

- Maritime security role of Indian Navy.
- Energy security dimensions: availability, affordability, accessibility.

Critical Analysis

Positives

- Ceasefire allows partial restoration of trade flows.
- Highlights need for strategic autonomy in energy.

Concerns

- Iran's control challenges freedom of navigation norms.
- Increased costs → inflationary pressure on economies like India.
- High vulnerability of India's energy supply chain.
- Legal ambiguity over transit fees in international straits.

Way Forward

- Expand Strategic Petroleum Reserves (SPR).
- Diversify crude import sources.
- Strengthen naval escort and maritime surveillance.
- Promote adherence to UNCLOS through global cooperation.
- Develop alternative routes (e.g., INSTC).
- Encourage renewable energy transition.