

# Swadeshi

PATRIKA

February 2026

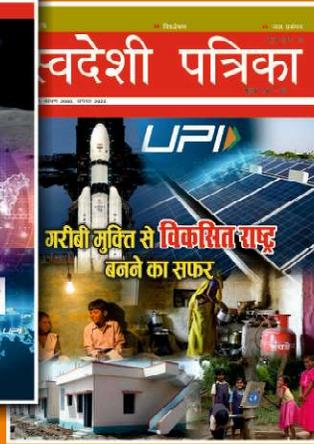
## A Growth and Employment-Oriented

# Budget



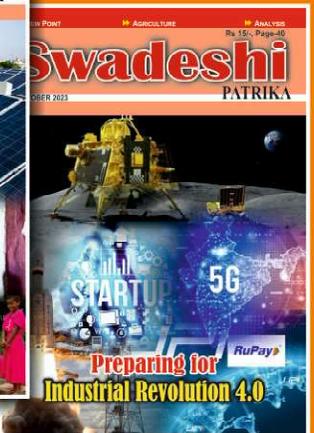
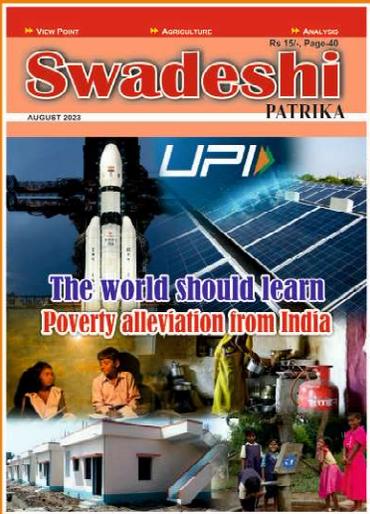
# VOICE OF

SELF RELIANT INDIA



# स्वदेशी

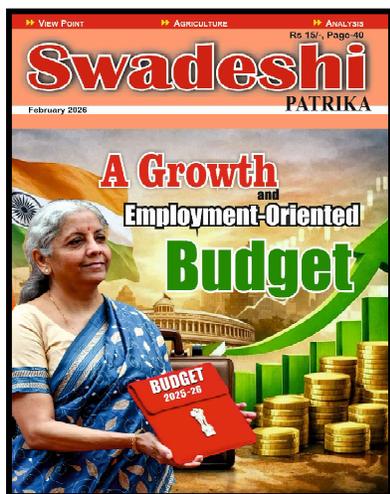
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# SWADESHI

Patrika

# पढ़ें और पढ़ायें



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## Budget 2026: Self-Reliance Blueprint

The Union Budget 2026-27 marks a strategic blueprint for India's self-reliance, prioritizing long-term growth over short-term populism. With capital expenditure surging to a record Rs. 12.2 lakh crore—a 9% increase—it fuels infrastructure, manufacturing, and job creation while targeting a fiscal deficit of 4.3% of GDP. This approach insulates the economy from global supply chain disruptions, emphasizing seven strategic sectors like semiconductors, rare earth minerals, biopharma, and textiles to reduce import dependence, especially from China.

This budget strengthens the nation by addressing critical vulnerabilities. Rare earth corridors and Semiconductor Mission 2.0 ensure energy and tech security, while biopharma boosts affordable treatments for non-communicable diseases like cancer via biosimilars. MSME support through credit guarantees and skilling bridges employment gaps, fostering champion enterprises. Defense modernization receives Rs. 2.19 lakh crore in capital outlay—a 22% hike—enabling indigenous production of drones, missiles, and anti-drone systems, exporting prowess post-Operation Sindoor, and deterring threats from neighbors.

Railway allocation at Rs. 2.78 lakh crore for high-speed corridors slashes logistics costs from 14-16% to competitive levels, enhancing export edge and connectivity. Tax tweaks, like higher F&O levies, curb retail speculation—95% lose money—protecting common citizens without hiking equity transaction taxes. Orange economy investments in animation and gaming (sans real-money games) harness youth creativity, aligning with global trends in AI democratization for health and education diagnostics.

Overall, this visionary plan aligns with Viksit Bharat 2047, balancing fiscal prudence with grassroots empowerment—no election-year giveaways, but enduring prosperity.

— **Vijet Kumar**, *Kshetra Media Pramukh, Purvottar Bharat, SJM*

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## Quote-Unquote



**This year's Union Budget reflects the vision of a developed India. It has not been prepared in a rush, but with confidence, and it will lay a strong foundation for transformation over the next 25 years.**

**Narednra Modi**, Prime Minister, Bharat



**The FM sets a long-term foundation, with Rs. 12 lakh crore capex to boost infra and crowd in private investment.**

**Rajiv Kumar**, Former Vice-Chairman, NITI Aayog



**"India will continue to take confident steps towards Viksit Bharat, balancing ambition with inclusion... We have maintained fiscal prudence and monetary stability whilst maintaining a strong thrust on public investments."**

**Nirmala Sitharaman**, Finance Minister, Bharat



**Budget 2026-27 appears to encourage manufacturing, infrastructure, and employment growth. It also seeks to control inflation while empowering villages & farmers.**

**Dr. Ashwani Mahajan**, National Co-convenor, SJM

## Trump's tariff shock meets judicial restraint: What it means for US-India economic ties

The U.S. Supreme Court, in a 6-3 majority decision, has struck down the sweeping tariffs imposed by President Donald Trump under emergency provisions. The Court held that existing law does not grant the President unlimited authority to impose broad-based tariffs under the guise of national emergency powers. The ruling significantly curtails the administration's far-reaching tariff agenda and introduces fresh uncertainty into global trade negotiations. For India, the decision comes at a delicate moment. New Delhi had agreed to a draft framework for an interim trade arrangement with Washington amid escalating tariff threats. However, repeated and sometimes contradictory statements from the U.S. administration created confusion, inviting domestic criticism within India. In the wake of the Court's ruling, India has reportedly postponed further negotiations, with policymakers and trade officials reassessing the altered landscape. Since the beginning of Trump's second term, aggressive tariff escalation has become the defining feature of U.S. trade policy. Supporters framed the strategy as a necessary correction to decades of industrial decline; critics described it as economically self-defeating. Even segments of Trump's political base began questioning the sustainability of sweeping protectionism.

Historically, the United States was both a high-cost and highly competitive industrial economy. Through much of the twentieth century, it led global production in automobiles, electronics, chemicals, textiles, and machinery. Tariffs once served both as protection for domestic industry and as a meaningful source of federal revenue. Over time, however, tariff barriers were reduced to ensure cheaper imports for American consumers. The institutionalization of lower trade barriers after the creation of the World Trade Organization in 1995 deepened this trajectory. The result was a structural shift. While American consumers benefited from lower-priced goods, manufacturing employment declined. Yet this narrative is incomplete. As low-end industrial production migrated abroad, the U.S. consolidated its dominance in high-technology industries, pharmaceuticals, advanced defense systems, intellectual property, financial services, and space technology. Even after the introduction of the euro in 1999, the U.S. dollar retained roughly 60 percent of global reserve currency share - a reflection of enduring strategic and technological strength. In other words, the United States did not collapse industrially; it repositioned itself at the commanding heights of the global economy. The administration argued that higher tariffs would generate substantial revenue while revitalizing domestic industry. Tariff collections reportedly rose to approximately \$287 billion in calendar year 2025, compared to \$70-80 billion in earlier years. Yet even at that elevated level, tariffs constituted only around 4-5 percent of total federal revenue, compared with roughly 2 percent historically. The overwhelming bulk of federal receipts continues to derive from income taxes and payroll contributions. The macroeconomic cost, however, has been far more visible. Tariffs function as a consumption tax on imported goods. The immediate burden falls not on foreign exporters but on domestic importers and ultimately consumers. Higher import prices reduce purchasing power, contribute to inflationary pressures, and complicate monetary policy. The risk of interest rate tightening - amid already elevated price levels - further weighed on economic sentiment.

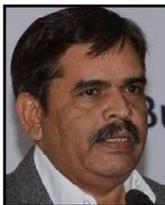
For decades, open access to the American market fostered political and commercial goodwill. Countries exporting to the U.S. often reciprocated by providing opportunities for American firms, generating profits, royalties, and tax revenues from overseas operations. High tariffs reverse that logic. Instead of reinforcing economic interdependence, they encourage diversification away from the U.S. market. There are early signs of systemic adjustment. Greater use of local currencies in trade settlements, and the growing prominence of blocs such as BRICS, signal gradual recalibration in global economic alignments. While the dollar's dominance remains intact, persistent trade friction risks accelerating long-term structural shifts. Though the President could theoretically seek legislative authorization to restore sweeping tariff powers, Republican majorities in Congress remain narrow, and internal dissent on trade policy is visible. The Supreme Court's decision therefore places institutional limits on executive unilateralism. The administration has floated alternative mechanisms, including a temporary global tariff under Section 122, initially announced at 10 percent and then revised to 15 percent. When combined with the pre-existing Most Favoured Nation duty of roughly 3.3 percent, this yields an effective tariff burden of approximately 18.3 percent on imports - lower than the earlier 25 percent but applied uniformly. That uniformity alters the calculus for India. Under the draft interim agreement, India expected relatively more favorable treatment compared to competitors. If tariffs become globally standardized, the preferential advantage narrows or disappears.

India now faces a recalibrated trade environment. If discriminatory tariffs are legally constrained, New Delhi gains negotiating space. At the same time, uncertainty surrounding U.S. policy - and the possibility of alternative executive measures - warrants caution. Postponing negotiations appears to be a tactical pause rather than a retreat. The broader lesson is structural. Tariffs may serve as short-term political instruments, but they rarely substitute for competitiveness, innovation, and strategic industrial policy. The Supreme Court's intervention underscores that even in times of economic nationalism, institutional checks remain central to American governance. Whether President Trump adapts or escalates remains to be seen. For now, the judicial branch has imposed limits on executive trade power. For India, the prudent course is vigilance, flexibility, and preservation of negotiating leverage.

# A Growth and Employment-Oriented Budget

Finance Minister Nirmala Sitharaman presented her ninth consecutive budget on February 1, 2026. There's no doubt that despite global challenges and uncertain global markets due to US President Trump's tariffs; and the attempts by major economic powers to weaponize global value chains, including the supply of essential minerals, semiconductors, and many other commodities; and the misuse of the payment system, the Indian economy is in fairly good shape, becoming the world's fastest-growing major economy for the fourth consecutive year. The falling rupee, persistent trade and payments deficits, and uncertainty about the potential for private investment to rise alongside rising public investment presented several concerns for the Finance Minister. The Economic Survey presents a realistic picture of the economy, highlighting concerns, particularly the falling rupee, the continued decline in FDI, leading to negative net FDI, and the need for appropriate measures. The Survey also raised several other issues, not only for economy, but also for the society, including the dangers posed by the digital addiction of youth. Obviously, all of them could not be addressed in this budget, but it seems that the broad policy direction in the budget is clear, that India will not only try to protect itself from global turmoil, but will also take the economy forward, strengthening the manufacturing, not just for resilience, but will also to become an important player in the global economy.

The budget proposes to increase manufacturing in seven strategic sectors. For a long time, India has been dependent on foreign countries, especially China, for supplies of semiconductors, rare earth materials, electronics, chemicals, and capital goods. All of these have been addressed in the budget, and strategy has been formulated to increase production in these sectors. This will not only help



*This budget appears to encourage manufacturing, infrastructure, and employment growth. It also seeks to control inflation while empowering villages and farmers, and boost incomes.*

**Dr. Ashwani Mahajan**



reduce our dependence on China but also protect the economy from being exploited by big powers, who are trying to weaponize the global value chain, as described in the Economic Survey itself. Not only India, but the entire world has been facing China's tantrums regarding the supply of rare earth materials. It's not that India lacks rare earth materials, but what we lack is capacity in mining, processing, and manufacturing in these important minerals. The budget has provided assistance to mineral-rich states like Odisha, Kerala, Andhra Pradesh, and Tamil Nadu to establish dedicated rare earth corridors and promote their mining, processing, research, and manufacturing.

The plan to enhance the production of construction and infrastructure equipment (CIE) introduced in the budget will strengthen domestic manufacturing of high-value, technologically advanced CIE. Given the country's acute shortage of containers and its heavy dependence on China, the announcement to create a globally competitive container manufacturing ecosystem, with a budgetary allocation of Rs. 710,000 crore (710 billion rupees), is a significant step forward.

Another major boost to manufacturing has been in bio-pharmaceuticals. It's worth noting that biopharmaceuticals, including biosimilars, can revolutionize the treatment of many non-communicable diseases (NCDs).

A comprehensive plan for the labor-intensive textile sector is a major step in the budget. Furthermore, the launch of the 'Mahatma Gandhi Gram Swaraj' initiative will strengthen khadi and handloom. Apart from this, an allocation of

***The budget proposes to increase capital expenditure (Capex) to Rs. 12.2 lakh crore, with effective Capex at 4.4 percent of GDP, not only the highest ever, but also exceeding the fiscal deficit.***

Rs 10,000 to support micro, small and medium enterprises (MSMEs) is an important step.

The budget proposes to increase capital expenditure (Capex) to Rs. 12.2 lakh crore, with effective Capex at 4.4 percent of GDP, not only the highest ever, but also exceeding the fiscal deficit. This has never happened before, and we can conclude that the government is borrowing, not for consumption, but to actually build infrastructure and other capital assets.

New dedicated freight corridors and 20 new national waterways could provide a significant boost to our infrastructure.

Another important part of the proposals is the creation of professionals for a developed India. In the health sector, 100,000 allied health professionals (AHPs), 1.5 lakh caregivers, and 20,000 veterinary professionals to be trained over the next five years, are some initiatives, crucial to address the skills gaps.

Aiming to boost farmers' in-

comes, the budget includes integrated development of 500 reservoirs and Amrit Sarovars to boost the fisheries sector, strengthening the fisheries value chain in coastal areas, linking startups and women's groups with Fish Farmers Producer Organizations (FPOs), implementing a credit-linked subsidy program, and supporting the animal husbandry sector through entrepreneurship development programs such as Livestock Farmer Producer Organizations. There are also plans to modernize livestock enterprises and develop integrated value chains for dairy and poultry.

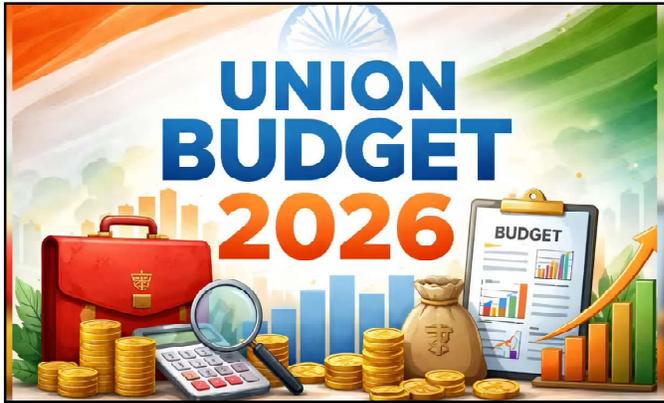
Additionally, high-value agriculture will be promoted in coastal areas with crops such as coconut, sandalwood, cocoa, and cashews. Nuts such as almonds, walnuts, and pine nuts in hilly areas can also play an important role in increasing rural incomes.

The figures are certainly impressive.

We note that a growth rate of 7.4 percent, inflation below 2 percent, and a consistently declining fiscal deficit, indicate that the economy is in a relatively stronger position. However, challenges such as the falling rupee, global turmoil, tariffs, and the weaponization of value chains remain, which are tried to be addressed in Union Budget 2026-27. Budget proposes to further reduce the fiscal deficit to 4.3 percent of GDP, from 4.4 percent in 2025-26 (Revised Estimates). This gives yet another reason for inflation to remain under control.

Overall, this budget appears to encourage manufacturing, infrastructure, and employment growth. It also seeks to control inflation while empowering villages and farmers, and boost incomes. □□

# Budget 2026: India's Economic Challenges



**India's Budget 2026** must be understood not merely as an annual fiscal statement, but as a strategic economic framework crafted in an era of global uncertainty. The world economy is navigating debt stress, geopolitical fragmentation, tariff tensions, currency volatility, and rapid technological disruption. Against this backdrop, India's projected GDP growth of about 7.4%, with a forward band of 6.6–7.2%, positions it among the fastest-growing large economies — a theme reinforced by the Economic Survey 2025–26.

The budget's core message is continuity with

adaptation: sustaining high growth while strengthening resilience against external shocks. Rather than relying on short-term stimulus, the framework prioritizes structural investment, productivity gains, and sectoral balance — foundations for durable prosperity.



*Budget 2026-27 represents a strategic opportunity to transition India from an import-dependent economy into a technology-producing economy which is based on Swadeshi ideology for an ATM Nirbhar Vikshit Bharat.*

**Dr. Dhanpat Ram Agarwal**

### Macro Stability: Growth with Fiscal Credibility

India's growth premium over the global average (~3–3.5%) reflects sustained domestic demand, infrastructure expansion, and sectoral diversification. Fiscal consolidation continues toward 4.3–4.4% of GDP, reinforcing macro credibility without sacrificing development momentum.

A defining feature is the ₹12.5 lakh crore capital expenditure push, directed toward transport, logistics, energy systems, and digital infrastructure. This investment-led model generates multiplier effects — improving productivity, employment, and private sector confidence.

Monetary conditions remain supportive, with the repo rate near 5.25%, ensuring inflation vigilance while enabling growth. Together, fiscal and monetary alignment enhances macro predictability — a critical requirement for long-term investment.

### Agriculture: Stability, Value Addition, and Rural Income

Agriculture contributes roughly 15% of GDP yet supports a much larger

Fiscal Snapshot			
Indicator	FY (Est.) 2024–25	FY 2025–26 (Projection)	Analytical Note
GDP Growth	~7.4%	6.6–7.2%	Growth premium vs global average
Fiscal Deficit (% GDP)	~4.4%	~4.3%	Credible consolidation path
Capital Expenditure	—	Rs. 12.5 lakh crore	Investment-led expansion
Repo Rate	—	~5.25%	Growth-supportive monetary stance

share of livelihoods. Budget emphasis on value-added agro products — coconut, cashew, cocoa, and processing — signals movement away from low-margin raw commodity dependence toward integrated rural value chains.

This strategy strengthens farmer incomes, rural MSMEs, and export potential while reducing post-harvest inefficiencies. With growth near 3%, agriculture's importance lies not merely in output but in social stabilization — anchoring rural consumption and poverty reduction.

Modernization must remain climate-aware and sensitive to competitive pressures arising from trade liberalization.

In nutshell it can be said that the share of Agriculture in the National income or in our GDP must increase to at least 20% in order to do justice to Inclusive growth. This alone can relieve the farmers from their dependence on subsidies and other social support and thereby become self-reliant. The strategy for development with more focus on Urban area has failed to provide employment and has created very poor living conditions to the migrated people which has forced them for reverse migration and the same is evident from the statistics of increase in workforce in the rural areas. Income inequality is also a staggering menace which needs to be addressed properly.

### Manufacturing and MSMEs: Industrial Deepening

Industry contributes about 24% of GDP, with manufacturing forming the employment backbone. Infrastructure capex, MSME ecosystem strengthening, and the semiconductor mission aim to build

scale competitiveness and technological capacity.

Manufacturing growth near 6% reflects momentum, yet challenges remain — productivity gaps, credit access, and exposure to global competition. MSMEs are central because they distribute growth geographically and absorb labour, making industrial policy inseparable from social stability.

However, the Economic Survey 2025 - 26 has mentioned very clearly that the manufacturing sector is yet to be able to compete with the imported goods. There is need to spend more on research and development in order to improve the quality and productivity of the domestic products. The R&D expenditure in developed countries like USA, China, Germany, Japan, Israel varies between 2.5 to 5 per cent of their GDP as against India which is much lower and is less than 0.7% of our GDP.

### Services Sector: Growth Engine and External Stabilizer

Services account for roughly 60% of GDP and expand near 9%, driven by Global Capability Centres, digital exports, and knowledge industries. Services exports generate a substantial surplus that offsets merchandise trade deficits — stabilizing India's external balance.

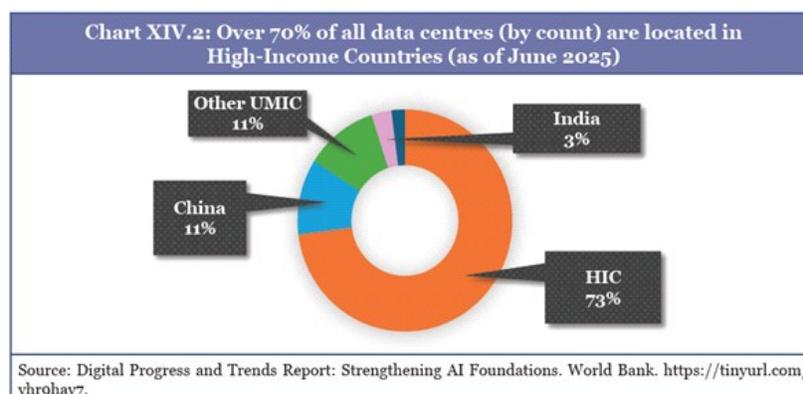
### AI Transition and Structural Re-positioning

A critical development is the rise of enterprise AI platforms — including systems such as those developed by Anthropic — capable of automating documentation, customer interaction, coding support, and financial workflows. These capabilities overlap with India's traditional IT-enabled service strengths.

Large firms like Tata Consultancy Services and Infosys may face margin pressure in routine outsourcing segments as AI reduces labour arbitrage advantages. However, disruption is uneven: demand is expanding in AI integration, governance, cybersecurity, and hybrid human-AI services.

Budget emphasis on digital infrastructure, AI skills, and research ecosystems supports upward migration from process outsourcing to intelligence-driven services — critical for sustaining employment and export competitiveness.

The budget has provided tax incentives to foreign companies to take advantage of our Data Centres for rendering cloud-based services. This will indirectly provide incentives for development of Data Centres in our country as at present over 70% of all Data Centres are located in high income countries. (Refer table below)



External Balance Snapshot			
Indicator	FY 2024–25	Analytical Significance	
Services Surplus	188.8 bn	Offsets merchandise deficit	
Current Account Deficit	~1.3% GDP	Manageable external balance	
Net Transfers	~123 bn	Stabilizes balance of payments	
Forex Reserves	~701 bn	Currency buffer	

Merchandise Trade Position			
Period	Exports (USD bn)	Imports (USD bn)	Trade Deficit (USD bn)
FY 2024–25	825.2	919.9	94.7
Apr–Dec FY 2025–26	634.3	730.8	~96

### Employment, Poverty and Inclusive Growth

Employment generation remains a structural priority. Agriculture stabilizes rural livelihoods; manufacturing provides labour-intensive opportunities; services create high-skill urban employment. Infrastructure-led growth improves productivity while reducing regional disparities.

Poverty reduction increasingly depends on productivity-linked income expansion rather than subsidy-driven redistribution — reinforcing the importance of investment-led growth.

### External Sector: Trade, Currency, and Stability

India's merchandise trade deficit remains structural, even as services surpluses provide balance. The current account deficit — around 1–1.5% of GDP — remains manageable under present conditions. Forex reserves near \$700 billion offer insurance against volatility.

Rupee pressures reflect global dollar strength, energy imports, and trade imbalances. Sustained currency weakness raises input costs, underscoring the need for export competitiveness and domestic value creation.

### Trade Engagement: Opportunity with Sectoral Sensitivity

Trade engagement with the United States and the European

Union offers market access and technology flows. Proposed tariff reductions in US arrangements and expanded bilateral imports — potentially toward \$500 billion over five years — may strengthen strategic ties but require calibrated sequencing.

Agriculture and MSMEs face adjustment pressures if exposure precedes competitiveness. EU frameworks emphasizing regulatory harmonization may enhance export credibility but raise compliance costs.

Strategic integration must strengthen domestic value chains — not displace them.

### Global Context: Navigating Structural Uncertainty

India's macro strategy unfolds amid global debt asymmetry, tariff volatility, supply-chain fragmentation, energy transitions, and geopolitical uncertainty. These forces amplify trade and capital risks. Budget 2026 responds by prioritizing domestic investment, sectoral diversification, and technological upgrading — building resilience rather than dependence.

### Conclusion

Budget 2026 represents a calibrated framework for sustained growth in a turbulent global era. Agriculture anchors livelihoods, manufacturing supports employment, and services — reshaped by AI — drive external strength. Trade en-

agement offers opportunity when aligned with domestic readiness.

**The central economic task remains balance:** growth with resilience, openness with preparedness, modernization with social stability.

If sustained, this framework positions India not merely as a high-growth economy, but as a structurally resilient one.

Budget 2026 represents a calibrated framework for sustained growth in a turbulent global era. Agriculture anchors livelihoods, manufacturing supports employment, and services - reshaped by AI - drive external strength. Trade engagement offers opportunity when aligned with domestic readiness.

India has emerged as the world's fastest-growing major economy, with GDP projected by the IMF at approximately \$4.1 trillion in 2025, yet structural vulnerabilities in the external sector present significant long-term risks.

The key structural challenges include:

- Persistent current account deficit (IMF: -1.3% of GDP)
- Trade deficit driven by high-technology imports
- Rupee depreciation driven by capital flow dependence
- Low R&D expenditure (World Bank: ~0.7% of GDP)
- Near total import dependence in semiconductors and rare earth processing
- Increasing exposure under FTAs with technologically advanced economies

Budget 2026-27 represents a strategic opportunity to transition India from an import-dependent economy into a technology-producing economy which is based on Swadeshi ideology for an ATM Nirbhar Vikshit Bharat. □□

# Digital and creative economy are being framed as the next frontier of employment and exports

Budget 2026 marks the first formal recognition of the Orange Economy as a distinct pillar of India's economic strategy, with Rs 450 crore set aside to accelerate its growth. The term refers to industries that convert creativity, culture and intellectual property into economic value—spanning animation, visual effects, gaming, comics and extended reality (AVGC-XR), alongside design, digital media and live entertainment. In her budget speech, finance minister Nirmala Sitharaman highlighted that the AVGC-XR industry is projected to require two million additional skilled professionals by 2030. Yet India accounts for just a fraction of the global market—about \$3 billion (Rs 27,000 crore)—prompting the government to target a 5 per cent share through creative clusters, tax neutrality for studios and export facilitation. To deepen the talent pipeline, the Indian Institute of Creative Technologies, Mumbai, will set up content creator labs in 15,000 schools and 500 colleges, an initiative Sitharaman described as “creating pathways from classrooms to creator careers”.

More broadly, the finance minister identified the digital and creative economy as “the next frontier of employment and exports”, backing the vision with a combined Rs 2,000 crore allocation. Beyond the Orange Economy, Rs 600 crore has been earmarked for artificial intelligence, cloud and data infrastructure. The remaining funds will be channelled through skilling and education ministries to prepare young workers for emerging roles.

The twin emphasis on creativity and computation positions these sectors as engines of employment, entrepreneurship and outward-facing growth for a young, digitally connected workforce. It comes as New Delhi prepares to project India as an advocate of responsible innovation and pushes for the democratisation of AI. The digital thrust also aligns with the government's effort to present a forward-looking economic narrative, particularly with the 18–35 age group now accounting for more than 40 per cent of the electorate. By foregrounding opportunities in gaming, animation and AI-linked employment, the focus shifts towards aspiration and upward mobility.

On the technology front, tax incentives for data centres and extended safe-harbour thresholds for IT service exports accompany the infrastructure push. Globally, however, India continues to trail major peers: it holds less than 3 per cent of worldwide data centre capacity, compared with roughly 40 per cent in the US and 15 per cent in China. Even the European Union has announced a \$30 billion (Rs 2.7 lakh crore) AI infrastructure plan while India's public investment in AI remains modest in comparison. Against this backdrop, the budget's approach appears forward-looking but fiscally measured. Translating ambition into outcomes will require sustained multi-year funding, regulatory clarity and close Centre–state coordination to build scale and competitiveness. □□



*The budget's approach appears forward-looking but fiscally measured.*

**Anilesh S. Mahajan**

<https://www.indiatoday.in/magazine/budget/union-budget-2026/story/20260216-8-orange-economy-the-creative-culture-push-2864215-2026-02-06>

# An agenda to promote Self-reliance and Swadeshi Bharat

The Union Budget for the fiscal year 2026-27, presented against the backdrop of a globally realigning economic order, marks a definitive shift from broad-based policy to targeted strategic action. Framed within the vision of “Atmanirbharta 3.0,” the budget meticulously integrates fiscal instruments with the overarching goal of building a Swadeshi India—an India that is economically resilient, technologically sovereign, and a net contributor to global value chains from a position of strength.

The budget is characterized by five core pillars, each designed to address specific structural challenges: Strategic Capital Expenditure with a Manufacturing Focus raising capital expenditure by 18% to a historic high, crossing the ₹ 15 lakh crore mark. However, the key feature is its sectoral selectivity. Over 40% of this outlay is directed towards critical technology infra, establishing three new semiconductor manufacturing and design clusters in partnership with states, with provision for viability gap funding. Secondly, with a view to make Bharat self-reliant in the field of defence, a dedicated ₹ 50,000 crore corpus for the “Indian Defence Production Corridor (IDPC)” to fund next-gen defence platforms, drones, and aerospace components under the ‘Make in India’ for Defence initiative. Thirdly, a new “National Green Hydrogen Mission - Phase II” with a ₹ 30,000 crore allocation for electrolyser manufacturing and hydrogen storage systems reflects the commitment of the state for green development.

With deepening and sharpening, the PLI (Production Linked Incentive) Scheme which is not expanded horizontally but is deepened vertically, PLI schemes are merged into five mega-sectoral schemes (Electronics & Semiconductors; Advanced Chemistry Cell & Green Tech; Pharma & Medical Devices; Defence & Aerospace;

*The Union Budget 2026 is a blueprint for strategic self-reliance and swadeshi. It moves the Swadeshi model from a defensive, import-substitution philosophy to an offensive, capability-building strategy. Swadeshi Samvad*



Specialty Steel & Capital Goods). There is an enhancement in the incentive rates which are increased by 2-3% for manufacturers achieving >75% domestic value addition, explicitly rewarding deeper indigenization. A new sub-scheme, “PLI for MSME Champions,” provides upfront capital grants (not just incentives) for SMEs to become exclusive suppliers to anchor PLI units.

To ensure cohesive national development, the budget introduces a “Swadeshi Competitiveness Grant” for states. This performance-linked grant, part of central assistance, rewards states based on: increase in their share of national merchandise exports, reduction in logistics costs within the state, ease of doing business rankings for land acquisition and power for industry. The budget moves from input subsidies to building a value-chain ecosystem. The “Sahakar-se-Samridhi” initiative allocates ₹ 20,000 crore to enable Farmer Producer Organizations (FPOs) to set up primary processing, grading, and packaging units. A new “National Digital Agriculture Market 2.0” platform is funded to integrate warehousing, quality assaying, and fintech, reducing post-harvest losses and giving farmers better price discovery. Mission on Millets and Organic Clusters receives a 50% increase in outlay, promoting climate-resilient and import-substituting crops.

The emphasis on social infrastructure continues but with a Productivity Lens. The Ayushman Bharat coverage is extended to include preventive health check-ups for all above 45, with a focus on domestically manufactured screening equipment. The PM Schools for Rising India (PM-SHRI) scheme

gets an upgrade with a focus on STEM and vocational labs, supplied by Indian ed-tech and lab equipment manufacturers. A 25% increase in the budget for the National Research Foundation, with a mandate that 60% of grants must involve collaboration with Indian industry for applied research.

The budget’s features are not isolated financial entries but interconnected gears in the engine of Swadeshi development as the budget is committed towards building structural resilience (Swadeshi as Anti-Fragility). By focusing Capex and PLI on critical sectors like semiconductors, defence, and green hydrogen, the budget directly attacks strategic dependency. For instance, a domestic semiconductor fab reduces vulnerability to geopolitical shocks in the Taiwan Strait. This creates a resilient industrial base that can withstand global disruptions, a core tenet of Swadeshi. The emphasis on domestic value addition in PLI and the push for MSME integration aims to create dense, local supply networks. When a mobile phone maker under PLI sources components from a local MSME, which in turn sources raw materials domestically, it creates a domestic value web. This multiplies employment, retains capital within the country, and fosters innovation diffusion, moving beyond shallow “assembly-line” industrialization.

The budget seeks to empower the grassroots as swadeshi ensures decentralized strength. The interventions in agriculture and for MSMEs shift economic agency downwards. The FPO-led processing units and the digital agriculture market empower farmers to capture a larger share of the consumer rupee. The MSME capital grants

create the potential for new small-scale industrial clusters in Tier-2 and Tier-3 cities, leading to regional economic rebalancing and reducing over-dependence on megacities.

With a view to foster technological sovereignty, the substantial boost to R&D, tied to industry collaboration, is designed to move India from being a technology adopter to a technology creator, thus promoting Swadeshi as innovation-led growth. By incentivizing patents and products developed in India, the budget seeds the creation of future Indian MNCs in deep-tech sectors. This shifts the Swadeshi narrative from mere production to intellectual leadership. The focus on green technologies (hydrogen, solar) ensures that the Swadeshi industrial base is future-ready and environmentally sustainable. Simultaneously, investments in preventive healthcare and skill-based education build a healthier, more productive human capital, which is the ultimate foundation of any self-reliant nation.

The Union Budget 2026 is thus a blueprint for strategic self-reliance and swadeshi. It moves the Swadeshi model from a defensive, import-substitution philosophy to an offensive, capability-building strategy. It recognizes that true Swadeshi in the 21st century is not about isolation but about entering global trade from a position of unassailable strength, built on domestic innovation, deep supply chains, and decentralized economic power. By aligning fiscal firepower with these precise objectives, the budget seeks to lay the foundation for an India that is not just self-reliant, but also a vital and indispensable contributor to the global economy—a definitive hallmark of a modern Swadeshi nation. □□

# Budget Reset

The union budget presented on the first of February 2026 reflects a sustainable path towards advancing in a truly inclusive way. The identity of the union budget has been redefined. The railway budget is already history. These reflect minimum government and maximum governance. The last railway minister who presented the separate rail budget was Sri. Suresh Prabhu in 2016. Recently, Suresh Prabhu drafted the Cooperatives Bill.

The union budget is keenly oriented towards strengthening cooperatives and rural upliftment. This budget didn't create a buzz for income tax slabs, and no one complained. People have not been complaining for a decade about the discontinuation of the separate railway budget. The perception regarding the union budget itself is changing.

The policymakers intervened and designed measures whenever the occasion demanded, whether that be rationalizing the goods and services tax (GST) during festival seasons or introducing production-linked incentives (PLI) amid challenging uncertainties. The wait for the budget for financial intervention is rationalized.

The union government's budget has its own relevance. That relevance is unprejudiced. The union budget is no longer a platform to earn people's votes. The budget has, over time, earned credibility for nation-building. The more than twelve lakh crores of commitment for infrastructure development captures this intent. Real estate investment trusts (REITs) have been upgraded to the facilities available to infrastructure investment trusts (INVITs). The construction sector is the second biggest job and livelihood creator after the agriculture sector. The multiplier effect is expected to boost the earnings of many people and, in economic terms, animate the economy. It's the agriculture and construction sectors that provide opportunities for a relatively less educated population to support their livelihoods.



*The budget speech is no longer a freebie speech to gather votes. It's a national budget.*

*It's a fareless budget. It's a budget that is not hunting for cheap popularity for the government.*

**Alok Singh**



The wish list of minimum support prices for crops is expected to be addressed in subsequent union budgets, but this is difficult to predict. The agricultural subsidy faces hurdles posed by international trade agreements. The labor-intensive construction sector faces relatively fewer such hurdles. The infrastructure sector directly affects the mobility of agricultural produce, and hence the Union Budget can be interpreted through that lens as well.

The budget speech is well structured, and every stakeholder needs to decode it accordingly. The use of Hindi keywords in the 2026-27 budget speech reflects the nation's soft power. This is an acknowledgement of the commitment to promoting regional language. The "Vikshit Bharat" can't be attained on materialistic parameters, indigenous language, indigenous food, indigenous education, indigenous products, indigenous entertainment, indigenous technology, indigenous knowledge, indigenous healthcare practices, indigenous lifestyles, and many more indigenous phenomena are captured in this union budget.

The "yuva shakti," as discussed in the budget speech, is both a support and a demand during our demographic dividend phase. The government is committed to supporting the youth and demands that they optimize their energy for nation-building. The acknowledgment of legacy industries, as well as the visualization of MSME champions, signals that the budget has eyes and ears to revive indigenous expertise that has been dwarfed by the LPG (i.e., liberalization, privatization, globalization) model of the 1990s. The budget is in path correction mode.

Further, the development of

city economic regions (CER) identifies the prerequisite for a decentralized model of growth. This is in place of concentrated special economic zones (SEZs). Instead of pulling different export businesses from across the country into a designated SEZ, CER can be pushed to different potential business areas. SEZ can also be understood as a concentration model for export business, while CER is a decentralization model for all purposes. SEZs have trapped large areas of land, while CERs will upgrade the identity of lands already engaged in business. SEZ lands also include large tracts of acquired agricultural land. They are already underutilized, and CER is a way to minimize new land acquisition and optimize the utilization of already engaged land. The focus on CER admits that agricultural land is a scarce resource.

The decentralization and cooperatives implemented effectively in the agriculture and construction sectors are empowering tools for the modest population. The budget has multiple focus areas, and championing MSMEs is about making small companies as efficient as big ones, whether those big companies are indigenous or foreign. The MSME is already earning huge foreign exchange for the nation. The talk of champion MSMEs is to reinforce energy and daring targets rather than provoking big companies. It's an idea of coexistence in the corporate sector. The coexistence of big and small, the coexistence of livelihood and profit, and the coexistence of incremental wealth for all.

The budget emphasized entrepreneurship opportunities for farmers, especially the abled and vulnerable population, and for the

eastern and north-eastern regions, to march in step with everyone. This orientation holds that all regions and professions are equally valuable. The subheading "Sabka Sath Sabka Vikas" in the budget speech captures this theme exactly.

The finance minister also emphasized the need for a mindset change. The government will take the first step towards building trust, and fellow citizens are expected to follow suit. This is demonstrated in the variety of immunity vis-à-vis penalties in the presentation of direct and indirect taxes. The budget speech even mentioned the rationalization of prosecution.

Overall, the budget date has been permanently pushed back to the first day of February. The fiscal consolidation and finance commission has opportunities to tinker throughout the year within the framework. The budget speech is no longer a freebie speech to gather votes. It's a national budget. It's a fareless budget. It's a budget that is not hunting for cheap popularity for the government.

The budget has been placed on the shoulders of youth for "Vikshit Bharat" by engaging Bharatiya tools such as Swadeshi, Decentralization, and Cooperatives, grounded in the principles of coexistence and fair opportunity for different stakeholders. The rural sustainability and uneven demographic profiles are the hidden challenges that this reset budget has addressed.

Traditional budget analysts, journalists and media anchors need to sweat the year-round to decode the new character of the union budget. □□

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# Understanding the Paradox of Investors Awareness and Savings Shift in India's Financial System

The fixed deposits would dominate investment choices in India if financial behaviour depended only on awareness. The SEBI survey report published on 20<sup>th</sup> January, 2026 provides the investor awareness across different financial instruments:

<i>Financial Instrument</i>	<i>Awareness Level (%)</i>
Fixed & Recurring Deposits	98
Mutual Funds	53
Stocks & Shares	49
Cryptocurrency	15
Futures & Options	13
Corporate Bonds, REITs & InvITs	10

*Source: SEBI*

As per SEBI survey report, 98 percent Indian household is familiar with fixed and recurring deposits. It implies that fixed and recurring deposits products hold a deep place in the country's financial culture. Interestingly, the awareness of mutual funds stands at 53 percent whereas stocks and shares reach 49 percent which indicates that households are more aware about mutual funds than stock and shares. Moreover, the awareness of futures and options is even lower, at just 13 percent. While cryptocurrency reported more awareness than corporate bonds which raises questions about the future of bond market in India.

However, the actual flow of savings presents a different view. During the past decade, bank deposits have grown by about three times. Moreover, in the same period, mutual fund assets under management have increased by almost seven times. Additionally, mutual fund AUM as a share of bank deposits has risen from 12.6 percent in 2015 to more than 33.5 percent in 2025. The equity participation has also widened during these years. Similarly, systematic investment plans (SIPs) have entered the financial mainstream. However, derivatives trading continues at a strong pace despite limited awareness. As a result of which, investment activity moves ahead even when broad understanding remains modest.

The most widely understood instrument is steadily losing relative share. Moreover, instruments with lower levels of awareness are gaining traction. Additionally, in the case of derivatives, limited understanding exists alongside high participation. However, such a pattern creates a clear tension within the Indian financial system. Familiarity does not always lead to dominance. Similarly, limited awareness does not prevent active involvement. As a result of which, a clear paradox emerges at the centre of India's financial transition.

## **Incentives Trump Awareness**

Interest earned on fixed deposits is taxed at the individual income tax slab rate, which can reach 30 percent. Moreover, the long-term capital gains on equities



*The stable deposit funding must remain sufficient to support sustained credit growth for broader economic stability.*

**Annu Kumari**

and equity mutual funds receive more favourable treatment. As a result, the post-tax returns appear more attractive. The tax difference matter for the return conscious household. Therefore, Indian households show signs of moving away from passive saving.

The awareness of a financial product does not automatically create preference. Similarly, liquidity and tax efficiency now carry greater weight in decision making. Such tectonically shift in the financial behaviour is observed by banking industry representatives as well. The chairman of State Bank of India called for a more equal tax structure across the financial products. Moreover, the Indian Banks Association also argued for improved tax treatment of fixed deposits. Therefore, tax parity of fixed deposits with capital gains could strengthen the mobilisation of deposit. As almost every household understands fixed deposits yet incremental savings move toward other instruments. Therefore, the investor awareness does not guarantee allocation rather perceived reward plays a central role. As the households compare post tax returns and growth potential, which in turn mould the final decisions.

### **The Derivatives Dilemma**

The SEBI survey report showed that only 13 percent of households has awareness of futures and options. However, the participation of households in derivatives trading has increased substantially in recent years. Between April 1 and February 10, Securities Transaction Tax (STT) collections reached Rs. 50,279 crore. While the growth of STT collection slowed, the absolute level is still substantial.

Thus, there is a contrast between the low investor awareness and high trading volume in future and options which creates a policy concern. Additionally, when understanding of risk remains limited, the participation may expand at a faster pace.

### **What the Budget Chose Not to Do**

The Budget 2026-27 provides no tax parity to fixed deposits to align taxation on FD interest with capital gains. The absence of tax parity on fixed deposits with capital gains raised concern among banks which were expecting relief. Though it appears deliberate as an immediate revision in tax rules could have led to large portfolio reallocations. Additionally, a rapid movement of funds back into deposits might have unsettled equity markets. Similarly, limited adjustments could have introduced distortions without correcting the deeper structural gap. As a result, policymakers preferred caution than quick intervention.

### **What the Budget Did Do**

The Securities Transaction Tax (STT) on futures and options trading was increased. Though it appears to be a revenue measure. The collection of STT stood at Rs. 50,279 crores between 1st April and 10th February which appears flat as compared to previous year. To simply put, the increase in STT appears less focused on raising revenue and more about sending a signal. The investors awareness level of futures and options remain only 13 percent which means investor awareness is limited and speculative activity is high. Through increased STT, the government pushed the trading costs upward. Additionally, the higher transaction costs can slow excessive turnover which would help moderate risk taking. So, the

***The Budget 2026-27 provides no tax parity to fixed deposits to align taxation on FD interest with capital gains.***

higher STT can be observed as the behavioural regulation rather than direct prohibition. Although the tax treatment of fixed deposit which is widely understood and lower risk savings instruments was left unchanged. At the same time, the cost structure in a low awareness and higher risk segment was tightened. Thus, the budget proposal to increase the securities transaction tax (STT) appears measured and carefully calibrated.

### **Awareness Is Not Allocation**

Therefore, the paradox remains central to the debate: the safest and extensively familiar savings option continues to lose relative share meanwhile, the complex financial instruments with lower awareness attract the growing interest of investors. Thus, it can be concluded that only awareness of financial instruments does not guarantees financial preference of investors. Today, the allocation decisions of investors dependent on expected returns and incentives rather than awareness of financial instruments. Therefore, the priority of the government of India should be to ensure that the shift in household financial behaviour does not weaken credit intermediation. The stable deposit funding must remain sufficient to support sustained credit growth for broader economic stability. □□

# Beyond STT, Imperative to Save Small Investors From Global Sharks

Though, Union Budget 2026-27 seems to be growth oriented, with an eye on improving employment and employability, the share markets were not kind enough to the Finance Minister to appreciate the provisions in the budget. We find 1547 points and 495 points decline in Bombay Stock Exchange (BSE) Sensex and National Stock Exchange (NSE) Nifty, respectively, on the budget day. It's interesting that when Finance Minister was reading her Budget Speech, which ended at 12.30 in the afternoon, till 12.10 PM, share market was relatively stable, but the moment FM read Para 141 of the Budget 2026-27, Sensex tanked by 2828 points, before recovering to a fall of 1547 points at the closure of the market at 3.30 PM.

Para 141 reads like, "I propose to raise the STT on Futures to 0.05 percent from present 0.02 percent. STT on options premium and exercise of options are both proposed to be raised to 0.15 percent from the present rate of 0.1 percent and 0.125 percent respectively."

The fact is that market did tank after this proposal was read, but next day market did recover by nearly 943 points. We need to understand this, and see if there is any merit or otherwise, in this proposal. We also need to understand the implications of this provision on investors in the stock markets.

First of all, we need to understand, the point of view of the Finance Minister (FM) in this regard, that why there is an enhancement in the STT. While answering a question from the media on this proposal, FM, once again made it clear that this enhancement applies to the transactions in future and options and not all transactions in stock markets. Further, speaking to media after the budget FM said, "had received calls from parents expressing concern that their children were losing money in derivatives trading...F&O is a highly speculative market... the STT increase was a deliberate step to deter excessive speculation."

## Losers and Gainers in Futures and Options

As mentioned, major loss by retail investors is caused by Futures and Options (F&O). F &Os are types of derivatives, meaning their value is derived from an underlying asset like a stock, index, commodity, or currency. They allow people to bet on future price movements without necessarily owning the asset.

A futures contract is an agreement to buy or sell an asset at a fixed price on a specific future date. Example: You agree today to buy a share at ₹2,500 next month. If the market price goes to ₹2,700, you gain; if it falls to ₹2,300, you lose. Futures are standardized and traded on exchanges.

An option contract gives the buyer the right (but not the obligation) to buy or sell an asset at a fixed price before or on a future date. They are of two types; First is Call Option, which are right to buy. This option is used if one thinks price will rise. Second is Put Option, which is right to sell. This is used, if one thinks price will fall. The buyer pays a premium for this right. If the prediction is wrong, the loss is

*SEBI may enhance investor education on F&O risks; margin requirements for retail in derivatives may be increased to prevent over-leverage; SEBI may mandate transaction disclosures for algorithm players, ensuring transparency in profits from market making.*  
**Swadeshi Samvad**

limited to the premium.

While, retail investors have been losing their capital in F&O, unfortunately a foreign company and its associates have been profiting significantly at their cost. Recently, an issue came to the limelight that which had shaken India's financial markets, that 'Jane Street', a US-based algorithmic trading giant, was accused by the Securities and Exchange Board of India (SEBI) of making illegal profits amounting to nearly rupees 4,850 crore. According to a study released in the backdrop of SEBI's order, the company made total gains of approximately rupees 36,700 crore over a span of just 26 months, between January 2023 and March 2025. This revelation had ignited a serious debate on whether India's rapidly expanding capital market is making its small investors vulnerable to exploitation by highly sophisticated global players.

This study was also quoted by the Finance Minister to support her proposal of increasing STT, as she said, "People are losing money due to high speculation in derivatives trading."

### Is This Proposal Sufficient?

Finance Minister claims that this move will deter the small investors from entering into such dangerous transactions, safeguarding the interests of those, who don't understand the risks involved in the game. No doubt her intention is to curb this menace, but it seems that more needs to be done, beyond raising STT, to save our retail investors from this systematic transfer of wealth by profiteering, adopting the tools, not available to



small investors and ignorance of small investors.

First best way is that Future and Options trading is disallowed, as this is not key and main function of stock exchange. But there might be objections to this drastic change. Therefore alternatively, we can change the expiry period from present weekly to monthly expiries, in order to reduce the woes of small investors.

Earlier, only monthly expiries existed, so traders positioned themselves for longer durations. After NSE introduced weekly options (Bank Nifty in 2016, Nifty in 2019, FinNifty in 2020), expiry-related activity started happening every week instead of once a month. This led to frequent spikes in volatility around expiry days because option writers (mostly large institutions and HNIs) adjust positions aggressively.

We understand that weekly options require lower premiums (since they are short-duration contracts). This attracts small traders with limited capital, who try to make quick profits but often lose money due to time decay and sharp expiry-day moves. Most small traders buy options (calls/puts), while large institutions typically sell them. Since 80–90% of options expire worthless, retail traders frequently

lose. Weekly expiries give retail traders repeated chances to "try their luck." Instead of waiting a month, they gamble every week, multiplying losses.

Instead if we allow monthly expiry only, it would allow more time for positions to play out, reduced overtrading, and gave hedgers a longer horizon. Weekly expiry shortens time horizons, amplifies trading volumes, and create opportunities for option sellers at the expense of small buyers.

Further, If SEBI/Exchanges cut back to only monthly expiries (or limit weekly expiries to fewer indices), small investors would face fewer expiry-related traps, have longer holding horizons, discouraging gambling-style trading and system would have reduced volatility in markets caused by expiry-day manipulations. This may improve the stability of F&O markets and protect retail wealth.

Apart from this, other measures can also be used to save small investors from this menace. SEBI may enhance investor education on F&O risks; margin requirements for retail in derivatives may be increased to prevent over-leverage; SEBI may mandate transaction disclosures for algorithm players, ensuring transparency in profits from market making. Alongside, before permitting retail investors to trade in futures and options, a graded risk-suitability test should be made mandatory. This will ensure that only those with adequate financial knowledge, risk appetite, and investment capacity are allowed to participate, thereby protecting small investors from disproportionate losses. □□

## Swadeshi Soul of Governance: The Indian Constitution

Seventy-five years after its adoption, the Indian Constitution remains one of the most remarkable political experiments in human history. It is not merely a legal document but a social contract, a moral compass, and a testament to the civilisational depth of a subcontinent that has long grappled with the question of how to govern diversity justly. Yet, in popular discourse—both within India and abroad—the Constitution is often reduced to a derivative artefact: a well crafted collage of the Government of India Act 1935, the Irish Directive Principles, the Canadian federal model, and the American Bill of Rights. This narrative of “borrowing” obscures a deeper truth. India’s constitutional imagination did not begin in 1946 with the arrival of the Cabinet Mission, nor did it end in 1950 with the signing of the calligraphed parchment. It is a living inheritance, a conversation between epochs—Vedic, classical, medieval, colonial, and postcolonial—that continues to unfold.

To understand the Constitution as an indigenous flowering rather than a colonial imposition, one must first journey to the sabha and samiti of the Rigvedic era. These were no mere tribal councils; they were deliberative bodies where warriors (kshatriyas) and priests (brahmanas) debated matters of war, peace, and resource allocation. The sabha functioned as a kind of upper house, often restricted to elders and elites, while the samiti was a more general assembly. Decision making was not autocratic; it required consensus or, failing that, a form of majority opinion. This was not democracy in the modern sense—suffrage was limited, and caste hierarchies were present—but the principle that rulership required collective validation was firmly established. The Atharvaveda goes further, prescribing that the samiti should be united in thought and purpose, an early articulation of what we might now call social solidarity.

If you want to see the Constitution as a flowering of a colonial imposition you have to go back, to the sabha and the samiti of the Rigvedic era. The sabha and the samiti were not councils. The sabha and the samiti were discussion groups where warriors (kshatriyas) and priests (brahmanas) talked about war, peace and how to share resources. The sabha acted like a house. Only allowed elders and elites. The samiti acted like an assembly. Welcomed a broader crowd. Decision making did not follow a ruler. Decision making required agreement. If agreement failed decision making required a form of majority opinion. The system did not operate as democracy in the sense—voting rights were limited and caste system was present—. The principle that rule required group approval was firmly established. The Atharvaveda goes further prescribing that the samiti should be united in thought and purpose, a description of what can be called solidarity. Thousands of years later the instinct found its advanced form, in the gana sanghas—the republican states that grew along the Himalayan foothills and, in the Gangetic plains. The Licchavis of Vaishali are a known example. The Licchavis of Vaishali had a gov-



*It is, in the final analysis, the living breath of India’s ancient modern Constitution—a document that was not borrowed, but built; not copied, but composed; not imposed, but inherited and continuously recreated.*

**Deepak Sharma**

erning council of 7,707 members each member representing a kula (clan). The governing council voted on decisions and the salakha griha (ballot hall) was used for voting. The gana sanghas kept a treasury collected taxes and even handled policy through group discussion. The gana sanghas could do all that together. When the Buddha visited Vaishali the Buddha admired the ways. The Buddha took some of those ways into the community. Alexander's Greek historians, writing in the century BCE expressed surprise at finding "cities" in the Indus Valley.

Even the Manusmriti, so often invoked as a symbol of Brahmanical orthodoxy and social rigidity, contains within its verses a vision of rule bound governance that bears a distant kinship with constitutionalism. Manu's emphasis on rajadharma—the duties of the king—was not a licence for absolutism. The king was subordinate to dharma, a transcendent law that even he could not violate. He was enjoined to consult with ministers, respect customary laws, and ensure that the varnas performed their mutual obligations. While the Manusmriti is unquestionably hierarchical and excludes vast sections of the population from political participation, its insistence that sovereignty is conditional—that power must be exercised within a framework of duty and restraint—prefigures the modern idea of a limited government. The Constitution of 1950 replaces dharma with fundamental rights and directive principles, but the underlying logic is analogous: no ruler, not even a democratically elected parliament, is above the law.

These ancient and classical in-

stitutions did not survive the centuries intact. The rise of imperial formations—the Mauryas, Guptas, Delhi Sultanate, and Mughal Empire—concentrated power in monarchies that were often autocratic. Yet the republican spirit did not vanish; it retreated to the margins, finding refuge in village panchayats, caste councils, and mercantile guilds. When the British arrived, they encountered a subcontinent teeming with self regulating local bodies that collected taxes, adjudicated disputes, and maintained irrigation systems. The colonial state, distrustful of these autonomous nodes, systematically dismantled or co opted them. But the memory of self rule persisted, surfacing in the nationalist movement and ultimately shaping the constitutional debates of the 1940s.

It is in this context that the work of the Constituent Assembly must be understood. The 299 members who gathered in the Constitution Hall did not approach their task as blank slates, nor as mere copyists. They were inheritors of multiple traditions—Western liberalism, socialist thought, Gandhian philosophy, and indigenous republicanism—and they synthesised these strands with remarkable ingenuity. When B.R. Ambedkar, the chairman of the Drafting Committee, defended the Constitution in his final speech on 25 November 1949, he did not deny that it contained "good parts taken from other constitutions." But he insisted that these borrowings were adapted to Indian conditions. More importantly, he anchored the document in the "life of the people," acknowledging that constitutional morality could not be enforced by law alone; it required a society committed to liberty, equality, and fraternity.

The charge of "borrowing" thus misses the forest for the trees. Structural similarities—a parliamentary system, a federal scheme, a judicial review mechanism—do not negate the distinctive Indianness of the Constitution. Consider federalism. India's version is not a compact of pre existing sovereign states, as in the United States, nor a devolution of power from a unitary centre, as in the United Kingdom. It is a novel creation: a union of states that is indestructible, yet deeply respectful of linguistic and cultural diversity. The reorganisation of states along linguistic lines in 1956 was not a concession to parochialism; it was a recognition that India's pluralism could not be flattened into a monolithic national identity. This sensibility—that unity and diversity are not opposites but complements—has ancient roots in the subcontinent's civilisational ethos, which has always valued the whole (samagra) without erasing the particular.

The Fundamental Rights chapter, too, while drawing upon the Universal Declaration of Human Rights, is infused with an indigenous conception of duty. Article 21 guarantees the right to life and personal liberty, but the Supreme Court has expansively interpreted this to include the right to livelihood, health, and a clean environment. This holistic understanding of rights—as inseparable from the material conditions of existence—resonates with the ancient ideal of dharma, which never separated individual well being from collective welfare. Similarly, the Directive Principles of State Policy echo rajadharma: the obligation of the state to secure a just social order, to minimise inequalities, and to ensure that

the operation of the economic system does not result in the concentration of wealth. These principles are not enforceable in court, but they are fundamental to the governance of the country. They represent a constitutional commitment to substantive justice, not merely formal legality.

The resilience of this constitutional order has been tested repeatedly. The most profound test came in 1973, when the Supreme Court delivered its judgment in *Kesavananda Bharati v. State of Kerala*. The case arose from a land reform dispute, but it escalated into a fundamental question: could Parliament amend any part of the Constitution, including Fundamental Rights? The Court, by a narrow majority, held that Parliament could not alter the “basic structure” of the Constitution. This doctrine—now a cornerstone of Indian constitutional law—was not explicitly mentioned in the text; it was an act of judicial interpretation that drew upon the implicit architecture of the document. The Court did not invent the doctrine out of thin air; it discerned a logic that was already present: that certain features—secularism, federalism, judicial review, the rule of law—are so integral to the constitutional identity that they cannot be destroyed even by a supermajority in Parliament. This was not a Western import; it was an Indian innovation, born of the specific anxieties of a postcolonial polity struggling to reconcile democratic majoritarianism with constitutional fidelity.

Two years later, the Emergency of 1975-77 provided an even starker test. Indira Gandhi’s government suspended Fundamental Rights, imprisoned political oppo-

nents, and muzzled the press. The Constitution, in a formal sense, was not abrogated, but its spirit was suffocated. Yet the very fact that the Emergency was imposed through constitutional amendments—and that it ultimately collapsed under the weight of public resistance—demonstrates the deep internalisation of constitutional norms among Indians. It was not the courts alone that defended the Constitution; it was students in Delhi who pasted copies of the Fundamental Rights chapter on walls, journalists who defied censorship, and ordinary citizens who voted against the regime in the 1977 election. The Constitution, in that moment, ceased to be a lawyer’s document and became a people’s charter.

Today, the Constitution faces a different kind of threat. It is not a coup or an explicit dictatorship that endangers it, but a slow erosion of the very idea of the political. The forces of globalisation, market fundamentalism, and consumerism threaten to reconfigure the citizen as a mere consumer and the nation as a mere market. This is an economic war, but it is also a constitutional war. When multinational corporations use intellectual property regimes to appropriate traditional knowledge, when volatile capital flows destabilise local economies, and when cultural homogenisation erodes linguistic diversity, the constitutional promise of economic justice and cultural rights is undermined. The state, which is constitutionally obligated to secure a just social order, finds its sovereignty constrained by international trade agreements and credit rating agencies.

It is in this context that the government’s call for Swadeshi—for making and buying Indian—

must be understood. Critics often dismiss this as economic nationalism or populist rhetoric, but it has a deeper constitutional significance. The original Swadeshi movement of the early 20th century was not merely a boycott of British cloth; it was a comprehensive programme of self reliance that sought to rebuild India’s economic fabric from the village upwards. It was rooted in the belief that political freedom was incomplete without economic freedom. The Constitution, in its Directive Principles, enshrined this ideal. Article 38 mandates the state to minimise inequalities in income and eliminate inequalities in status, facilities, and opportunities. Article 39 directs the state to ensure that the ownership and control of material resources are distributed to best serve the common good, and that the operation of the economic system does not result in the concentration of wealth. These provisions are not socialist slogans; they are constitutional commands.

Yet, for decades, India pursued an indecisive development model—neither genuinely socialist nor consistently market oriented. The result was what the economist Raj Krishna famously called the “Hindu rate of growth”: a sluggish expansion that failed to generate sufficient employment or lift the mass of the population out of poverty. The liberalisation of 1991 accelerated growth but also deepened inequalities. The demographic dividend—India’s youthful population—has become a demographic liability in the absence of adequate jobs. Every year, millions enter the workforce, but only a fraction find formal employment. The rest are pushed into the informal sector, underemployment, or despair.

The Constitution, as a living instrument, must respond to this crisis. The response cannot be merely legislative or judicial; it must be cultural. The Swadeshi mindset, reimagined for the 21st century, offers a framework. It does not mean autarky or xenophobia; it means fostering an ecosystem where Indian entrepreneurs—whether they manufacture smartphones, design fashion, or develop software—can thrive. It means shifting the educational paradigm from rote memorisation to problem solving, from exam oriented coaching to critical thinking. It means teaching financial literacy alongside algebra, and destigmatising manual trades and small scale enterprises. It means viewing every young person not as a job seeker clamouring for government employment, but as a potential job provider, a wealth creator, an innovator.

Government initiatives such as Startup India, the Mudra scheme, and the National Education Policy 2020 are steps in this direction, but they remain fragmented and inadequately implemented. What is required is a mass movement, akin to the freedom struggle, that mobilises citizens—especially the youth—around the ideal of self reliant India (Atmanirbhar Bharat). This is not a statist project; it is a societal one. It requires the active participation of universities, corporations, cooperatives, and local communities. It requires a shift in consciousness: from viewing the Constitution as a document that guarantees rights to viewing it as one that imposes duties—duties to oneself, to one's community, and to the nation.

The Swadeshi call is thus both an economic imperative and a constitutional one. It is the contempo-

***As India enters its 78th year of independence, the question is not whether the Constitution will survive—it has already proven its resilience—but whether it will thrive. Survival is mere continuity; thriving requires renewal.***

rary articulation of rajadharma—the duty of the state and the citizen to secure the welfare of all. It is also a reaffirmation of the ancient republican spirit: the belief that a polity is not a passive entity to be governed, but an active community that governs itself. The Constitution provides the framework; the people must provide the energy.

As India enters its 78th year of independence, the question is not whether the Constitution will survive—it has already proven its resilience—but whether it will thrive. Survival is mere continuity; thriving requires renewal. The Constitution must be constantly interpreted, debated, and applied to new circumstances. It must be defended not only in courtrooms but also in classrooms, not only in Parliament but also in panchayats, not only by judges and politicians but also by entrepreneurs, artists, and ordinary citizens.

The narrative that the Indian Constitution is a borrowed document is not merely inaccurate; it is impoverishing. It denies the depth of India's democratic heritage and obscures the creativity of its constitutional founders. It also discourages the current generation from

investing emotionally and intellectually in the document. A borrowed garment is worn until it wears out; an inherited one is cherished, mended, and passed on. The Indian Constitution is an inheritance—not from the British, but from the Vedic seers who envisioned the samiti, from the Licchavi councillors who voted in Vaishali, from the panch elders who adjudicated disputes under banyan trees, from the nationalist martyrs who gave their lives for swaraj, and from the Constituent Assembly members who debated late into the night.

To honour this inheritance, the current generation must translate the Constitution's lofty ideals into tangible realities. Justice must mean not merely access to courts but access to livelihoods. Liberty must mean not merely freedom from coercion but freedom from hunger. Equality must mean not merely non discrimination but a fair distribution of opportunities. Fraternity must mean not merely tolerance but active solidarity across lines of caste, creed, and region.

The Swadeshi movement, reimagined for the 21st century, is the vehicle for this translation. It is the means by which the constitutional vision of a just, free, and equal society can be realised. It is the thread that connects the sabha of the Rigveda to the Startup India scheme, the gana sangha of Vaishali to the self help group in rural Bihar, the rajadharma of Manu to the Directive Principles of Part IV. It is, in the final analysis, the living breath of India's ancient modern Constitution—a document that was not borrowed, but built; not copied, but composed; not imposed, but inherited and continuously recreated. □□

## Flowering the Economy

Whenever we discuss trade and commerce - domestic or global, we prioritise commodities, textile, metals, technology and defence. The fragrance of our economy, so deep rooted in our culture and religion, floriculture takes a back seat. The agriculture-based flower industry is a potential employer too, requiring a bare minimum investment for a street vendor, the prime driver of the flower trade.

Bharat's rich cultural heritage and religious diversity serve as fundamental drivers propelling floriculture market expansion, creating sustained demand throughout the year. In June 2025, Jagannath Temple in Odisha gates were adorned with nearly 3,000/ kg of flowers for the annual Ratha Yatra festival, underscoring the high religious floral demand. Moreover, flowers hold sacred significance across major religions practiced in Bharat, with daily worship rituals, temple ceremonies, and religious festivals necessitating regular flower consumption by millions of households. Hindu temples across the country require enormous flower quantities for deity decoration, while auspicious occasions mandate flower usage following traditional customs.

Growing urbanization has expanded the retail base as city dwellers increasingly embrace decorative flower usage for enhancing living spaces and celebrating special occasions. The emergence of organized retail outlets, boutique florists, and e-commerce delivery platforms has improved accessibility and convenience for retail customers seeking quality floral products. Rising disposable incomes among urban middle-class households are enabling premium flower purchases and curated arrangements, thereby contributing to sustained retail segment expansion and overall value growth.

Rapid urbanization is transforming consumer behaviours and creating new demand avenues for the floriculture market beyond traditional consumption patterns. In October 2024, Delhi NCR flower subscription services reported rising popularity among young professionals, offering weekly deliveries of lilies, roses, carnations, daisies, and hydrangeas, ensuring convenience, freshness, and aesthetic home décor. Urban populations demonstrate heightened interest in home decoration, aesthetic living environments, and lifestyle products including fresh flowers and ornamental plants. Metropolitan cities are witnessing emergence of premium florist boutiques, flower subscription services, and specialized event decoration companies catering to sophisticated urban consumers.

The consumers are demonstrating increasing preference for exotic and specialty flower varieties beyond traditional marigolds and jasmine offerings. As per sources, in May 2025, Mumbai florists reported surging demand for exotic flowers like Proteas, Tulips, and Cymbidium Orchids, driven by high-net-worth consumers and celebrity clientele seeking premium home décor and gifting. Furthermore, orchids, lilies, gerberas, carnations, and hybrid roses are gaining popularity



*Bharat's rich cultural heritage and religious diversity serve as fundamental drivers propelling floriculture market expansion, creating sustained demand throughout the year.*

**Vinod Johri**

among urban consumers for premium decorations, corporate gifting, and high-end event arrangements. This preference shift is encouraging cultivators to diversify their production portfolios and invest in specialized growing infrastructure.

The Bharatiya floriculture market is witnessing substantial adoption of advanced protected cultivation methods including polyhouse farming, greenhouse structures, and shade net facilities. According to reports, in September 2025, Prayagraj installed six polyhouses and two net houses under the Horticulture Development Mission, enabling farmers to grow export-quality roses and daisies shipped to Russia and the Middle East. Furthermore, these technologies enable cultivators to maintain optimal growing conditions irrespective of external weather variations, ensuring consistent production quality throughout the year. Protected cultivation allows farmers to cultivate high-value exotic flower varieties previously difficult to grow under open field conditions.

Our floriculture market generated a revenue of Rs. 323.8 Billion in 2025 and is projected to reach a revenue of Rs.793.1 Billion by 2034, growing at a compound annual growth rate of 10.5% from 2026-2034. Production includes roughly 2,659 thousand tonnes of loose flowers and 877 thousand tonnes of cut flowers annually. The flower business, often referred to as a “sunrise industry,” has seen a significant shift from traditional loose-flower farming to a high-value commercial enterprise. The market is driven by increasing consumer demand for decorative flowers across religious ceremonies, festivals,

and social events, coupled with favorable agro-climatic diversity enabling year-round cultivation. Growing urbanization, rising disposable incomes, and evolving lifestyle preferences toward gifting flowers are propelling market expansion. Government initiatives supporting horticulture development and the emergence of organized retail channels are further strengthening market infrastructure. Additionally, technological advancements in cultivation practices and expanding export opportunities are contributing to the floriculture market share.

The domestic floriculture market is poised for substantial revenue growth, supported by strengthening domestic consumption and expanding export opportunities. Government initiatives including subsidies under horticulture development missions are expected to boost production capabilities significantly. The integration of advanced cultivation technologies and improved cold chain logistics will enhance product quality and reduce post-harvest losses. Growing consumer awareness regarding gifting culture combined with increasing penetration of organized retail and e-commerce platforms will drive revenue expansion across urban markets.

Tamil Nadu, Karnataka, Madhya Pradesh, and West Bengal are leading states for commercial flower cultivation. Tamil Nadu, the leading producer is contributing over 23% of total production. Karnataka is a major hub for export-oriented units, particularly for roses.

The digital transformation of Bharat’s flower retail landscape is reshaping consumer purchasing behaviour and market dynamics sig-

nificantly. According to sources, Ferns N Petals joined the government backed Open Network for Digital Commerce (ONDC) to make its floral and gifting catalogue accessible across multiple digital marketplaces, expanding its reach nationwide. Moreover, online flower delivery platforms have emerged as convenient alternatives for urban consumers seeking hassle-free gifting solutions for birthdays, anniversaries, and festive occasions. These platforms offer curated floral arrangements, same-day delivery options, and subscription services catering to evolving consumer preferences.

Loose flowers represent the dominant segment within the Indian floriculture market, commanding the leading revenue share attributed to their indispensable role in religious and cultural traditions across the country. According to reports, in July 2025, the Uttar Pradesh government waived all mandi fees for flower farmers selling outside market premises, reclassifying flowers as non-specified agricultural products, providing crucial support to small and marginal cultivators. These flowers are extensively utilized in daily worship rituals, temple offerings, religious festivals, wedding ceremonies, and social gatherings, reflecting deeply embedded cultural practices.

The accessibility of loose flowers through extensive unorganized retail networks including local mandis, street vendors, and traditional flower markets ensures widespread consumer reach across urban and rural areas. Their relatively affordable pricing compared to cut flower arrangements makes them accessible to consumers across different income segments. The seg-

ment continues benefiting from consistent demand throughout the year driven by religious calendars, festival seasons, and wedding periods that sustain strong consumption patterns.

Retail leads with a share of 80% of the total Indian floriculture market in 2025. The retail dominates the floriculture market with the largest revenue share, driven by extensive individual consumer purchases for personal consumption purposes. In February 2024, quick-commerce platforms like Swiggy Instamart reported Valentine day's peak demand, selling over 108 bouquets per minute across Bharat, highlighting the rising urban preference for convenient online floral purchases.

Unorganized retail exhibits a clear dominance with a 51% share of the total floriculture market in 2025. Unorganized retail dominates the Indian floriculture distribution landscape, accounting for the largest market share through extensive networks of traditional vendors and informal marketplaces. In October 2025, Gurugram's Old Delhi Road flower market witnessed hundreds of shoppers purchasing marigolds, roses, and lotuses, with marigold prices rising from ₹ 100 a kilogram to ₹ 300 a kilogram, reflecting the Diwali demand surge. Moreover, this channel encompasses street flower sellers, pushcart vendors, weekly haats, wholesale mandis, and local neighbourhood shops that have historically served domestic consumers' flower purchasing needs. The dominance of unorganized retail reflects prevailing consumer shopping behaviours and preferences for direct procurement from familiar local sources offering personalized services. These tra-

ditional channels maintain strong relationships with regional flower growers, enabling efficient supply chain operations and fresh product availability daily. Despite increasing organized retail presence, unorganized channels continue thriving by serving price-sensitive consumers and offering flexibility in purchase quantities suited to individual customer requirements across diverse urban and rural geographical regions.

Aesthetic and decorative applications constitute the leading segment within the floriculture market, commanding the dominant revenue share driven by extensive flower usage across ceremonies, events, and interior decoration purposes. As per sources, in 2025, Krishnagiri farmers planned to send 2 Lakh flowers daily, including white roses from 500 acres to Kerala for Christmas and the wedding season, reflecting peak decorative flower demand. Furthermore, this segment encompasses wedding venue decoration, festival arrangements, religious altar embellishments, corporate event styling, hospitality sector requirements, and residential interior beautification that collectively generate substantial demand.

The inherently perishable nature of flowers poses significant operational challenges impacting market efficiency and profitability. Cut flowers and loose blooms have extremely limited shelf life, requiring rapid movement from farms to end-consumers within narrow time windows. Inadequate cold chain infrastructure accelerates flower deterioration during transit and storage, substantially reducing marketable yields and farmer incomes.

The domestic floriculture

supply chain remains highly fragmented with multiple intermediary layers separating growers from end consumers. Small and marginal farmers dominating production lack direct market access, depending heavily on aggregators and commission agents who capture significant value margins. Infrastructure deficiencies including poor road connectivity and insufficient cold storage facilities hamper efficient product movement.

Floriculture production remains susceptible to climatic variations and weather uncertainties that impact crop yields and quality outcomes. Extreme temperature fluctuations, unseasonal rainfall, drought conditions, and pest outbreaks can devastate flower crops, causing significant economic losses for cultivators. Open-field cultivation exposes crops to environmental risks without adequate protective measures against weather-related production failures.

The Bharatiya government's recognition of floriculture as a sunrise industry with substantial export potential has catalyzed supportive policy frameworks and developmental initiatives. The Mission for Integrated Development of Horticulture provides financial assistance for establishing polyhouses, shade nets, and cold storage facilities essential for modern floriculture operations. State horticulture departments offer subsidies, training programs, and technical guidance to encourage farmers' transition toward commercial flower cultivation. These comprehensive government interventions are reducing entry barriers, improving production capabilities, and strengthening the overall floriculture ecosystem significantly. □□

Source: International Market Analysis Research and Consulting Group (IMARC) website and public domain.

# Ask, what are we dealing with

On Feb 6, India and US announced the framework for an interim trade agreement. This is billed as a stepping stone towards a broader Bilateral Trade Agreement (BTA). This framework goes far beyond tariffs and market access. It reaches into energy security, purchase commitments, digital trade rules, security cooperation, and economic alignment.

Understanding what India has gained - and what it may have conceded - requires examining each of these elements carefully.

## Trade and tariff cuts

US buys about 20% of India's goods exports, so US tariff cuts are a major relief. Indian exports to US fell by 22% between May and Dec 2025, making these changes especially important.

Normally, Indian goods face an average 3% US tariff (MFN rate). In Aug 2025, US imposed an extra 50% "reciprocal tariff" on products that account for about 55% of India's exports, pushing total tariffs to around 53%. These tariffs have now been reduced to 18%, bringing the total to about 21%. While still high, Indian exporters benefit because competing countries face even higher tariffs.

The cuts mainly help sectors such as textiles and apparel, leather and footwear, plastics and rubber, organic chemicals, home décor, handicrafts, marine products, and some machinery.

For the remaining 45% of India's exports, US tariff policy remains unchanged and applies equally to all countries. Smartphones and petroleum products remain tariff-free. From Nov 13 last year, US also exempted coffee, tea, tropical fruits, fruit juices, cocoa, spices, bananas, oranges, tomatoes, beef, and some fertilisers from tariffs for all countries.



*Assessing trade pact with US must look beyond the 50% to 18% tariff cut. Some of the text in interim agreement may pose knotty questions on India's policy choices in areas like digital economy.*

**Ajay Srivastava**



Tariffs on steel and aluminium stay at 50%. In later talks, US may consider cutting tariffs on Indian auto components to below 25%, but only for limited export volumes.

While US is cutting only its reciprocal tariffs and keeping full MFN duties, India is offering much deeper concessions. India will reduce or remove MFN tariffs on all US industrial goods and many agricultural products, including Distillers Dried Grains with Solubles or DDGS (under a small quota), red sorghum, tree nuts, fruits, soybean oil, wine and spirits. In automobiles, India may cut tariffs from 100% to 20% and remove tariffs on high-end motorcycles.

Overall, US tariff cuts could help India's exports recover to April 2025 levels and raise annual goods exports to about \$100bn in the 12 months after implementation.

### Energy security

US tariff cut from 50% to 18% has two parts. A 25% cut to zero is linked to India stopping Russian oil purchases, while the remaining cut from 25% to 18% is part of the trade deal. US says that if India is found buying Russian oil, higher tariffs and penalties could return.

Although India has made no public commitment to stop buying Russian oil, this condition weakens India's energy sovereignty. Similar US pressure earlier forced India to stop oil imports from Venezuela in 2019, and now affects Iran and Russia.

In FY2025, India sourced about 35% of its crude oil- around \$50bn- from Russia. Replacing this is difficult, especially when about seven million barrels per day of Russian oil are being pushed out of global markets.

***US has secured commitments from EU, Japan, South Korea, UK, and now India to replace Russian oil with American supply, but it does not have enough crude or petroleum products.***

US has secured commitments from EU, Japan, South Korea, UK, and now India to replace Russian oil with American supply, but it does not have enough crude or petroleum products. In 2024, US exported \$298bn of petroleum products and imported \$246bn, yet still ran a \$60bn crude oil deficit. Even oil from Venezuela will not fully replace Russian supplies, raising the risk of global oil shortages.

India, therefore, needs to diversify energy sources and revive domestic oil exploration. In 1985, India produced 85% of its oil needs; today it imports nearly 85%.

### Buying commitments

India has agreed to buy \$500bn of US goods over five years, which would raise annual imports from US from about \$45bn to nearly \$100bn. This could increase India's import bill and trade deficit.

Such targets are easier with China, which supplies the industrial goods India needs. US, by contrast, has a narrow export mix, mainly subsidised farm products, energy (crude oil and LNG), coal, high-tech items, aircraft, and military equipment.

Because of this limited range,

sharply increasing imports from US will be difficult. Moreover, big purchases like aircraft are made by private companies, which will buy only if the deals make commercial sense.

### Digital trade

US wants India to stop digital services taxes, permanently ban customs duties on electronic transmissions, and limit digital taxes affecting US companies. Accepting this would weaken India's long-held WTO position and reduce its ability to tax and regulate the digital economy in the future.

### Security & economic alignment

The framework calls for closer economic and security alignment to counter "non-market" policies of third countries. In practice, this could tie India's policies more closely to US, affecting relations with countries like China. It remains to be seen if this policy will also apply to US for restricting Pakistan on similar grounds. In the next phase, India must ensure the text protects its foreign, security, and economic policy independence.

### Lots of commitments

The limited relief offered by US comes only from cuts in so-called "reciprocal tariffs", which are WTO-incompatible and are being challenged in the US Supreme Court. If the court rules these tariffs illegal, the deal could lose much of its value for India.

The deal delivers immediate export relief, but at the cost of deeper commitments on energy, digital policy, and strategic alignment. As negotiations move forward, India must now ensure that short-term gains do not harden into long-term constraints. □□

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<https://timesofindia.indiatimes.com/blog/loi-edit-page/ask-what-are-we-dealing-with/>

# Big Food Decides What You Eat

When The Lancet released its global three-part series on 'Ultra-Processed Foods and Human Health' in Nov, the reaction from the world's largest food corporations was immediate, coordinated and revealing. International Food and Beverage Alliance (IFBA), representing major multinational UPF manufacturers, asserted its members "want to improve global health outcomes through diet quality" and that "food companies should be part of policymaking." Its secretary general added that Lancet Series' policy recommendations "go far beyond the available evidence."

This response must be recognised for what it is - a declaration of intent to preserve corporate influence over food regulation, when scientific evidence demands the opposite.

The contradiction is stark. The same corporations whose profits depend on expanding UPF markets; whose products displace real foods, degrade diet quality and increase risk of obesity, diabetes, cardio-vascular disease, depression and premature mortality, now present themselves as guardians of global health. The comparison with the playbook once used by the tobacco industry is inescapable.

Lancet Series warns unequivocally that food-industry interference is the single largest barrier to reducing UPF consumption worldwide. India, now one of the world's fastest-growing UPF markets, cannot afford to accept such narratives uncritically.



*Virtual capture of policy processes by large processed food firms, with many decisions contraindicated by public health concerns, has parallels with the playbook once used by Big Tobacco.*

**Arun Gupta**

## Not consumer choice

Commercial determinants are globally shaping modern diets—a central insight of the Lancet Series is that UPFS are not just unhealthy products but the output of a profit-driven food economy that proactively displaces minimally processed and traditional foods. This shift is not driven by consumer preference or convenience. Profit-driven food environments are created that maximise product penetration, frequency of use and ensure overconsumption.

Eight multinational companies dominate the global UPF landscape. Their business model relies on ultra-cheap raw ingredients, cosmetic additives that mimic flavour and freshness, hyper-palatable formulations, globalised supply chains, celebrity-driven advertising and digital targeting. These firms engage in continuous lobbying to weaken or delay regulation.

This is not a food system; it is a commercial model built for scale, market dominance and profit. Such a system cannot support public health.

## India's UPF explosion

India's UPF consumption is rising at an alarming pace. Retail sales grew from \$0.9bn in 2006 to \$38bn in 2019, nearly a forty-fold increase. Products have penetrated urban, peri-urban, and increasingly rural diets. Children and adolescents are especially targeted through ineffective regulations.

UPF's do not supplement but displace traditional diets. India's health indicators reflect the consequences. Obesity has doubled over the past decade. Type 2



diabetes affects one in 10 adults. Childhood obesity continues to rise, and young people aged 5-19 are already showing metabolic abnormalities. Yet India still lacks national surveillance of UPF consumption, allowing the crisis to grow unseen.

### Industry in policymaking

India scenario illustrates the dynamic Lancer warns against. The examples are troubling and persistent.

- Front-of-pack labelling (FOPL) stakeholder consultations were dominated by industry: 80% of invited stakeholders were food manufacturers.
- Advertising Standards Council of India (ASCI), a self-regulatory body comprising manufacturers, is responsible for monitoring food advertising norms.
- FSSAI routinely organises "stakeholder consultations" where industry actors or their proxies are present as partners in food and nutrition governance. These actors create doubt, dispute definitions, challenge standards set by India's nutrition science institutions, and offer to co-develop guidelines. This is not public consultation; it is corporate political activity that mirrors decades of tactics used by the tobacco industry.

The results speak for themselves. Between Sept 2023 and March 2025, India did not identify a single misleading food advertisement, per official reports. This defies everyday experience, and illustrates how self-regulations fail.

### Policy, the real battle

India's food policy challenges cannot be solved through nutrient thresholds, star ratings, or behaviour change campaigns alone. These are downstream tools.

The real battle is for who controls India's food policy. And at present, that space is increasingly used by the very corporations whose products drive the problem of NCDs. Unless India disrupts this paradigm, no amount of consumer education will meaningfully reduce UPF consumption. Last week, new restrictions across UK stopped HFSS food and drinks from being advertised on TV before 9pm and at any time online, to tackle its obesity crisis. Almost 10% children live with obesity in UK, while one in five has tooth decay by age 5.

India's regulatory framework remains weak and requires urgent attention in order to achieve what was promised in 2017 - mandatory warning labels on high-salt, high-sugar, high-fat products, now pend-

ing for over a decade.

Lancer's experts argue for legal definitions of UPF's and HFSS harmonised with ICMR-NIN guidelines, and UPF/HFSS-free zones in public institutions such as schools, hospitals, anganwadis, and govt canteens and taxation on UPF/HFSS to generate revenue that may be used for subsidy of healthy foods.

Industry does not like these interventions. But these measures are not anti-industry activities. They are pro-child, pro-consumer, pro-farmer and pro-health. They restore the centrality of real whole food in India's diet.

### Disrupting current paradigm

India needs a bold shift anchored in evidence. The priority is clear. Protect policy-making from commercial influence. A concrete step that can enable quick regulatory actions is to remove industry influence from food and nutrition policymaking.

Stakeholder consultations should be divided into two distinct processes: expert consultations for regulation, and industry consultations for implementation and administrative actions. ASCI must have no role to monitor food marketing & advertisements. As a long-term and sustainable solution, India would also require to put in place a policy to prevent conflicts-of-interest in line with Article 5.3 of FCTC, WHO's Framework Convention on Tobacco Control. India is at the stage of UPF expansion that Lancer warns about globally. The question is simple: safeguard our people's health, or safeguard corporate profit? □□

The writer is co-author of Lancer Series on Ultra-Processed Foods and Human Health  
<https://timesofindia.indiatimes.com/tni-plus/health/big-food-decides-what-you-eat/articleshow/126466977.cms>

## Who controls AI controls the future: Why democratisation is critical

Artificial Intelligence (AI) is no longer a speculative frontier; it is an operational reality reshaping economies, institutions and everyday life. As the AI Impact Conference unfolds in Delhi with global participation, it is evident that the world stands at an inflection point.

AI is accelerating decision-making, refining business analytics, transforming medical diagnostics, reducing transaction costs and enabling the creation of new digital products that fuel what many call the “Orange Economy.” Yet, alongside this surge of innovation lies a growing unease: the spectre of large-scale unemployment in a country where meaningful job creation for youth is already an urgent priority.

India cannot afford to ignore the AI-driven industrial transformation. But neither can it ignore the structural asymmetry embedded in the current AI ecosystem. The computational infrastructure, foundational models and cloud backbones are concentrated in a handful of global corporations, largely based in the United States and China.

At the same time, vast volumes of data that power these systems originate in developing countries such as India. If we remain passive consumers of foreign-owned intelligence systems built on our own data exhaust, we risk drifting into a new era of digital colonisation—where sovereignty is eroded not through territory, but through algorithms.

Paradoxically, India has demonstrated global leadership in the public use of data and AI through its Digital Public Infrastructure. The JAM trinity—Jan Dhan accounts, Aadhaar and mobile connectivity—has enabled Direct Benefit Transfers at population scale, reduced leakages and redefined welfare delivery.

*AI is reshaping economies and governance, but concentrated control threatens jobs and data sovereignty. India must democratise AI through strong digital public infrastructure and prudent regulation.*  
Swadeshi Samvad



***Artificial Intelligence is essential. But unless it is democratized—through inclusive infrastructure, prudent regulation and equitable access—it will remain a technology of concentration rather than liberation. The task before India is not merely to adopt AI, but to shape it in the service of the common good.***

AI-enabled analytics are increasingly embedded in governance, from monitoring public schemes to improving transparency under new legislative frameworks such as the Viksit Bharat—Guarantee for Rozgar and Aajeevika Mission (Gramin) Act, 2025. In healthcare, AI supports diagnostic imaging, predictive analytics and remote monitoring. Citizens use AI-powered applications to track physical activity, blood pressure and chronic conditions. The technology is not abstract; it is already woven into daily life.

However, employment disruption is no longer hypothetical. Media houses automate content generation. Call centres deploy conversational bots. Manufacturing plants integrate AI-driven robotics. Even software engineering, once considered insulated, faces automation pressures. The Economic Survey 2025–26 cautions that given India's demographic scale and income profile, the labour-market impact of AI could be profound.

It warns against reckless automation that replaces labour without adequate safeguards and suggests that profits derived from labour-replacing technologies merit fiscal scrutiny. The Survey also underscores the need for coordinated engagement between govern-

ment, industry and academia to maximise productivity gains while protecting social welfare.

The geopolitical structure of AI intensifies these concerns. A small cluster of corporations—Google, Microsoft, Amazon, Meta and their counterparts in China such as Baidu—control the core models, cloud infrastructure and distribution channels. This concentration creates formidable barriers to entry.

Smaller enterprises, cottage industries and service providers struggle to compete in a landscape defined by capital-intensive compute and proprietary data ecosystems. Policymaking itself risks distortion under the influence of large technology lobbies. For developing economies, dependence on foreign AI platforms translates into diminished data sovereignty and constrained strategic autonomy.

Yet the answer is neither technological retreat nor protectionist isolation. AI is indispensable for economic competitiveness and administrative efficiency. The imperative is democratization. That begins with strengthening Digital Public Infrastructure as a neutral, open and interoperable foundation upon which innovation can flourish.

India's extensive mobile penetration, affordable data ecosystem and expanding 4G and 5G net-

works provide a structural advantage. But connectivity alone is insufficient. The country requires resilient data infrastructure that ensures quality, security and privacy; indigenous AI frameworks aligned with local languages and developmental priorities; and robust cybersecurity architectures to safeguard models and datasets from adversarial threats.

Equally critical is digital literacy. Citizens, small businesses and public officials must understand not only how to use AI tools, but also their limitations, biases and risks. Without broad-based capacity building, AI will amplify existing inequalities—between skilled and unskilled workers, large firms and small enterprises, and developed and developing nations. Technological acceleration without distributive justice will deepen social fault lines.

The central policy challenge, therefore, is balance. Development and regulation must proceed in tandem. AI should be encouraged, but governed. Innovation should be incentivised, but its social externalities must be addressed. Public digital infrastructure must serve as a counterweight to excessive corporate concentration. If designed with foresight, AI can expand human capability rather than replace it; augment productivity rather than erode livelihoods; and strengthen sovereignty rather than dilute it.

Artificial Intelligence is essential. But unless it is democratized—through inclusive infrastructure, prudent regulation and equitable access—it will remain a technology of concentration rather than liberation. The task before India is not merely to adopt AI, but to shape it in the service of the common good. □□

# Grant-based development measurement has flawed; Priority must be given to a result-based system of Granting Funds

Nearly two decades ago, the committee headed by Prof. D. M. Nanjundappa identified backward regions and submitted a report recommending higher grants for their development in order to eliminate regional imbalance. For implementing the committee's recommendations, the government created separate Regional Development Boards and an implementation mechanism. Thousands of crores of rupees flowed like unseasonal floodwaters during the rainy season. Judging by the volume of grants, every district of Kalyana Karnataka should have become a developed district. However, that did not happen. Instead, it is shocking that the level of backwardness in Karnataka has increased.

To address regional imbalance, a high-level committee headed by economist Prof. M. Govind Rao, constituted by the Chief Minister on March 16, 2024. The Govind Rao Committee report, submitted to the Chief Minister and published in the media but yet to be officially released to the public, classified all taluks into four categories based on social and economic indicators and the grants allocated.

The Govind Rao Committee analyzed the outcomes over two decades following the implementation of the Dr. Nanjundappa Committee Report (submitted in 2002 and implemented from 2007), covering the financial years 2000–2020. The key findings are clear.

#### Financial Allocation and Utilization:

- Total sanctioned grant: Rs. 60,000 crore
- Total expenditure: Rs. 42,000–48,000 crore (about 70–80%)
- Approximately Rs. 32,610 crore allocated to North Karnataka over 15 years
- Literacy rate remains 8–10% lower than the state average
- Number of backward taluks increased from 40 to 52

Taluks like Chittapur, Kalagi, Chincholi, Yadrami, and Sedam have further declined from earlier position whereas Bengaluru region has increased its status by achieving progress five times more than the Kalaburagi division, and Mysuru has advanced significantly. Despite annual grants for infrastructure such as roads, elec-



*Analysis of the Govind Rao Committee Report (2026) Findings in Eliminating Regional Imbalance in Karnataka and Achieving Development.*  
**Mahadevayya Karadalli**

Comparison of no. of backward Taluks Govind Rao Committee Report (2026) with Dr. Nanjundappa Committee Report			
Class	Talukas	Govind Rao Committee (2026) Status - Backward of Talukas in Karnataka	Dr. Nanjundappa Committee (2002) Implemented in 2007 KALI+BE; +B'LORE+MYSORE
1.	Most Backward	59	39 (21+ 5+ 11+2)
2.	More Backward	59	40 (5+12+13+10)
3.	Backward	59	35
Total	Backward Past/Present	177 -- 75% +	Out of 177 - 114 Out of 236 - 177.
4.	Developed	59	



tricity, drinking water, and sanitation, no taluk in Kalyana Karnataka has achieved meaningful development due to poor maintenance, incomplete projects and lack of agricultural projects / activities expansion.

A major issue is that government priorities change with political transitions. Funds are not released for ongoing projects initiated by previous governments, resulting in wastage of public money. For example, in Kalaburagi lake development project initiated earlier government still incomplete due to lack of funding. Public money is wasted, lake capacity is reduced, and taxpayers money goes to drain. Government suffered the losses. The Lokayukta should independently initiate suo motu cognizance of the such issue and to action against officials responsible for incomplete projects, environmental issues, cleanliness, non protecting government assets and wastage of public resources etc.

### Employment and Industry

Usually schemes in agriculture and allied sector generates employments and creates both permanent and temporary jobs. It is crystal clear that grants to this sector and for sustainable industries those provide year-round employment have not

been established in these backward districts/talukas. Hence, Youths' continuously migrating to cities like Mumbai and Bengaluru in search of employment. Large-scale industries have not been established, employment generation remains at low, and gave scope to migration.

Significant funds have been spent on school buildings, classrooms, and furniture, but only a small portion has been spent on teacher recruitment. As a result, the quality of education has not improved proportionately.

Causes of Developmental Decline:

- In spite of recruiting Qualified Teachers, lack of continuous on the job/off the job training for teachers to handle their classes has resulted in education standard showing downward trend.
- Lack of motivation, adequate educational support for on going value addition to students in improving learning standards / process/ skills.
- No serious efforts to improve learning outcomes through extra special classes to upgrade the students knowledge at Primary / High School level.
- To address Education Department and Management Pressure, Teachers often promote stu-

dents with inflated marks.

- Teachers are overburdened with non-teaching duties such as mid day meal, census, surveys, election work and administrative tasks.
- Downsizing school working days due to heavy rain, strikes, festivals, instant declaring holidays etc., These working days should have been adjusted in winter and summer vacations.
- Due to declining enrollment, single teachers handle multiple classes and subjects, reducing quality of education at lower level.
- Poverty and lack of awareness among parents lead to higher dropout rates
- Awareness among rural, farming, and labor communities about education their wards needs extra attention.

Government school teachers are talented and qualified, having passed competitive examinations. Government school standards should not fall below private institutions. For example, few decades ago Government Arts and Science Degree College and Government Girls High schools in Kalaburagi (there are such schools and colleges in other parts of state) were have good reputation and famous in the region for their standard of education. Many Government Institution were produced highly capable officers now serving in senior positions at state and national level.

Despite increased Primary Health Centers, shortage of specialist doctors persists. Medical services remain inadequate, infant and maternal mortality rates remain high.

### Suggested Structural Reforms in Health and Education sector.

To improve education and

healthcare quality, government has to make mandatory for all government employees from junior staff to Chief Secretaries, Ministers and legislators has to admit their wards in government schools and under go treatment in government hospitals. This strategy will lead to sea change in improvements in Education and Health sector. However, this is a Herculean task because many legislators, Higher Officers in hierarchy themselves run private educational and healthcare institutions.

For development of the region Grants allocation not only the solution but Public Awareness is needed. It is the Reality.

The data clearly shows that grants allocated in the name of regional development have largely been ineffective. Shockingly, the number of backward taluks has increased by over 75%. Most of the most backward taluks are in the Kalyana Karnataka region, indicating negative growth rather than progress. These conclusions are not personal opinions of the author but derived from the findings from the government-appointed Govind Rao Committee report partially appeared in media yet to made public.

The committee found that development problems are not due to lack of funds but due to poor governance, lack of monitoring, and absence of a result-based funding system. A bird's eye view on report that too after two decades of implementation of earlier Dr Nanjundappa Committee report on elimination of Backwardness. Instead of eliminating backwardness the earlier belief that increasing grants will automatically ensures development has been proven false

### **Role of Public Awareness and Accountability**

While South Karnataka has progressed, North Karnataka—especially Kalyana Karnataka—has lagged due to public indifference. Funds are often released late and remain unused in banks for months. Public representatives identify projects only at the end of the financial year and rush to spend funds hastily for publicity, leading to inefficient use. Development is possible not only through grants alone, but also through proper utilization of grants, monitoring mechanism, and caring for end utilization. Let us recognize this truth and work towards accountability of the concerned department and personnel and result-oriented development

A large portion of funds is spent on events, publicity, and corrupt practices rather than meaningful development. Lack of public interest in monitoring of tenders and transparency has benefitted officials and contractors.

People of Kalyana Karnataka must stop waiting for the political leaders who will bring development to their door steps. They must become vigilant like citizens in South Karnataka.

Citizens should actively monitor and question/raise objection through at least online mode to concerned departments of public utility/ infra structure.

- Regularising supply of Drinking water supply and sanitation, and object for full month charges even not supplying water for week/fortnight in the guise of re pair to pipe line/ motor etc.,
- Bhima, Krishna and Tungabhadra River pollution by allowing unprocessed drainage water to rivers.

***The committee found that development problems are not due to lack of funds but due to poor governance, lack of monitoring, and absence of a result-based funding system.***

- Poor quality infrastructure such as road, building, water connection, transport etc.,
- Incomplete public works, and negligence in protecting Government land and properties.
- Teacher shortages in School, College and even Universities.
- Administrative delays in processing complaints and completing Schemes.
- Misuse of funds meant for marginalized communities viz SC/ ST /Backward classes.
- Public awareness, media action, and citizen engagement— not mere grants—can bring real development.

To make development in reality, People of Backward Region Kalyana Karnataka within Karnataka State try to asses, analyze, monitor and demand for systematically planned projects for the development of region. Then only not only Kalyana Karnataka region within Karnataka and also other Backward regions will achieve development at par with other developed regions of Karnataka that too with South Karnataka. □□

**Cultural evening titled 'Ek Shaam... Swadeshi Ke Naam' organised in Delhi**



A grand cultural evening titled "Ek Shaam... Swadeshi Ke Naam" was organised at the NCU Auditorium, Siri Fort Road, in the national capital to commemorate the 150th anniversary of 'Vande Mataram'. The event, a celebration of India's unity, cultural heritage, and the spirit of swadeshi through an evocative blend of music, dance, and visual storytelling, was attended by Delhi Assembly Speaker Vijender Gupta along with prominent dignitaries, including Kashmiri Lal; Satish Kumar; Dr. Ashwani Mahajan, senior leaders of Swadeshi Jagran Manch; Dushyant Gautam, BJP General Secretary; and MLAs Anil Sharma and Shikha Rai.

Designed as an integrated music-and-dance presentation, the evening reflected the ethos of Ek Bharat, Shreshtha Bharat.

The event brought together 60 artists from 12 states, presenting 14 classical and folk dance forms that showcased the country's rich cultural diversity. The tricolour served as a powerful visual element throughout the performance, symbolising valour, peace, and prosperity.

<https://www.thestatesman.com/india/cultural-evening-titled-ek-shaam-swadeshi-ke-naam-organised-in-delhi-1503548850.html>

**Swadeshi is not just an option, but a pledge for nation-building: Shefali Gupta**

The annual function of Government Senior Secondary School, Gohana was celebrated with enthusiasm. Dr. Satyanarayan Gupta (Convenor and Patron of Swadeshi Jagran Manch, Gohana Block) and Shefali Gupta (Chief Campaigner of Swadeshi Jagran Manch, Gohana) were the Chief Guests. Principal Satendra Dahiya presided over the function.

Chief Guest Shefali Gupta encouraged the audience and students to use Swadeshi products. She said that Swadeshi is not just an option, but a pledge for nation-building. Shefali Gupta said that if every citizen adopts Swadeshi in their daily lives, the country's development can gain a new impetus. Dr. Satyanarayan Gupta said that adopting Swadeshi not only strengthens the country's economy but also promotes local industries. Retired IAS officer Shakti Singh, an alumnus of the same school, also spoke as a speaker. Meritorious students who excelled in academics and sports were honored at the function. Esteemed guests, Staff members and students were present on the occasion.

<https://www.cityairnews.com/content/swadeshi-is-not-just-an-option-but-a-pledge-for-nation-building-shefali-gupta>

**A line on non-tariff barriers in the India-US trade framework is causing unease**

India's pledge to address long-standing non-tariff barriers to trade in food and agricultural products from United States, as stated in the joint statement between the two, has sparked concern in some quarters over the potential impact on Indian farmers.

The joint statement issued on February 6 says India will address non-tariff barriers affecting US food and farm products, without specifying the nature of the barriers to be eased.

The reference is worrying because the US has long argued that India's refusal to import genetically modified (GM) products constitutes a major non-tariff barrier, said Biswajit Dhar, trade economist and former Professor, Jawaharlal Nehru University. "There is no clarity on whether that position has shifted," he added.

SJM, however, said that addressing non-tariff barriers should not be seen as unusual, noting that non-tariff measures exist across countries.

"The US has around 6,500 non-tariff barriers, while India has about 350," SJM said. However, SJM cautioned that any relaxation in agriculture must be approached carefully.

"Any relaxation should not include GM products. This is a matter of concern because American farmers receive much higher subsidies, and Indian farmers may not be able to sustain competition. The government must protect Indian farmers, and we will have to see how this protection is ensured," Mahajan said.

To be sure, Commerce Minister Piyush Goyal has said that no genetically modified food imports are being allowed.

Ajay Srivastava, founder of the Global Trade Research Initiative (GTRI), said that India's agreement to address non-tariff barriers could mirror provisions in US trade deals, such as with Malaysia, where American sanitary and health certifications for agricultural products prevail over domestic standards, a one-sided concession, which could be sought from New Delhi as well. On tariffs, the joint statement said that India has offered reductions on some food products, including dried distillers' grains (DDGs), tree nuts, fresh and processed fruits, soybean oil, wines and spirits.

Srivastava said concessions on certain food products could have implications for Indian farmers.

"Tariff cuts on products such as apples, oranges and soybean oil are likely to hurt Indian farmers," Srivastava said, adding that it remains unclear which additional agricultural products may also be covered.

The joint statement adds that tariff concessions will also apply to "additional products," without specifying if more food and agricultural items are covered beyond those explicitly listed.

SJM, however, said that using tariff rate quotas for agricultural imports will allow authorities to assess domestic requirements and prevent injury to local producers.

Economist Ashok Gulati said the overall framework should be viewed as a balanced trade arrangement, with India's principal gains lying outside agriculture.

"The biggest gain for India is the sharp reduction in US import duties on labour-intensive exports such as textiles, apparel, leather, gems and jewellery," Gulati said.

On agriculture, Gulati said the openings appear limited. "What has been allowed is mainly access to the feed market through dried distillers' grains (DDGs) and some premium products like nuts, berries, wines and spirits. This is unlikely to adversely impact farmers," he added.

India has not granted concessions on sensitive food and agriculture items, including dairy, maize, soy meal, sugar, millets, citrus fruits, rice, wheat, and other staples. On concerns around the limited concessions offered for American soybean oil and DDGs, experts unanimously say the impact is expected to be limited.

India is a net importer of edible oils and already purchases significant quantities of soybean oil from the US and other countries, Dhar added.

<https://www.moneycontrol.com/news/business/a-line-on-non-tariff-barriers-in-the-india-us-trade-framework-is-causing-unease-13819877.html>

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## **SJM backs India-US interim deal, says Trump did it under pressure**

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Amid the Opposition targeting it over the India-US interim trade agreement which the two countries jointly revealed early on Saturday (February 7), the Narendra Modi government found support from the Swadeshi Jagran Manch (SJM), an affiliate of the Rashtriya Swayamsevak Sangh (RSS), which promotes "aatmanirbharata" (economic self-reliance) and criticised the Donald Trump administration for imposing steep tariffs on India in the recent past.

Satish Kumar, national co-organiser of the SJM, told The Federal that the India-US framework for an interim agreement on reciprocal and mutually beneficial trade materialised because Washington was under pressure to secure a deal with New Delhi, especially after the latter entered into a free-trade agreement with the European Union (EU) on January 27.

Termed the "mother of all deals", the India-EU agreement opens a market of roughly USD 23 trillion across 27 countries to the South Asian nation.

Kumar called the India-US interim deal was on "right lines" and that it was going through a process and not being influenced by the US's one-sided takes.

"The deal is on the right lines. We have not started it yet. It has come through a long process. For now, the framework has been finalised; details will come later. The details of the framework show we are on the very right lines where we started in April last year. It is not like the US is taking a unilateral call, like imposing high tariffs. Detailed discussions have been held," he told The Federal.

"They (US) felt the pressure after we (India) had a trade deal with the EU. They (US) felt India has carved out a market for itself since the EU is a USD 23 trillion market and won't face any difficulties. This is what mounted back pressure on Washington," he added.

Also over the US executive order released on Friday (February 6) mentioning that Washington would reimpose harsh tariffs on India in case it is found to be purchasing oil from Russia (Trump revoked the additional 25 per cent tariff imposed on India last August for buying Russian oil in the same order), Kumar said, "We have clearly stated that we would have an independent policy when it comes to energy. We will purchase oil from wherever we want to."

"Our oil imports with Russia have not gone to zero; we have only reduced it. Purchasing oil from

Russia was just an excuse for the US to pressure us. We have a strategic partnership with Russia," the SJM leader said.

Unlike the Opposition, which has accused the Modi government of exposing the Indian farmers through the interim agreement with the US, Kumar said the interest of "mainline" agriculture and farming products has been kept in mind while sealing FTAs made with the EU and New Zealand, which happened in December 2025.

"It is just ethanol and processed soybean that we are taking (from the US). It has nothing to do with farmers," he said. However, the Opposition raised concerns about the deal over its impact on farmers, tariffs, and oil imports.

Congress leader Pawan Khera attacked the Modi government over the deal, questioning what he called a shift in India's diplomatic posture.

"Where is India, which used to look in the eyes of (Richard) Nixon, George Bush and (Barack) Obama and forge practical relations?" he asked.

Khera alleged that the interests of ordinary Indians were being undermined, saying, "This is not an agreement with the US, but a compromise with our self-respect. This is not a deal, but a surrender," he said, adding that the Opposition was being stopped from raising these issues in Parliament because the government feared scrutiny over the terms of the agreement.

Congress MP Randeep Singh Surjewala also warned that the agreement could harm farmers and rural livelihoods. He said, "A blow has been delivered to the stomachs of India's 720 million farmers."

He questioned the government on possible impacts. "We are already importing USD 334 million worth of cotton from the US, which has caused cotton prices for Indian farmers to crash. Now, with corn, cotton, sorghum, fruits, processed fruits, and soybeans coming from the US, I ask PM Modi and Piyush Goyal: what will happen to India's farmers? Where will they go?" he said.

Rashtriya Janata Dal MP Manoj Kumar Jha also criticised the tariff changes and accused the government of misleading the public. "Our tariff, in the worst of times and the best of times, was 2.9 per cent. Through threats, it was raised to 50 per cent. Then it was reduced to 18 per cent. Is this something to celebrate? Aren't you misleading the entire nation?" he said.

He warned that the deal could lead to public anger once its full impact is known.

<https://thefederal.com/category/news/swadeshi-jagran-manch-backs-india-us-interim-trade-deal-opposition-criticises-donald-trump-narendra-modi-228922>

## Tech-Enabled Services Reduce Logistics Costs for MSMEs: C-DEP-IIT Delhi Study

The Centre for Digital Economy Policy Research (C-DEP) in collaboration with IIT Delhi has released a report on titled "Study of Technology-Enabled Intra-City Logistics for MSMEs". This report examines how technology-driven goods transportation can lower costs and improve efficiency for Micro, Small, and Medium Enterprises (MSMEs) in India. The study report was presented by BJP MP from Delhi Praveen Khandelwal and Ashwini Mahajan, a Co-Convener of Swadeshi Jagran Manch at an event at India Habitat Centre, New Delhi.

MSMEs account for about 30 percent of India's GDP and 45 per cent of industrial output, but they face challenges like high transportation costs and unreliable vehicle access. The study, which includes interviews with MSMEs and transportation providers, highlights that tech-enabled services are essential for daily operations of small businesses, the study report states. Khandelwal noted the importance of reducing logistics costs for India's development, linking substantial expenses to road transport.

Mahajan emphasized MSMEs' role in the economy, pointing out their technological advancements and India's strengthened position globally due to a flourishing tech ecosystem. Dr Jaijit Bhattacharya from C-DEP added that most logistics costs arise from intra-city transport, stating that tech services can cut these costs while improving reliability, thus enhancing MSMEs' productivity and earnings.

However, he cautioned that high taxes might impede access to these services, affecting efficiency and customer trust. The report found that 71 per cent of users of tech transport services are businesses, and many MSMEs reported reduced costs and better on-time delivery due to these services.

However, potential policy issues, like changes to the GST tax structure, could raise costs for MSMEs. The report urges for regulatory support instead of hindrance and recommends Government initiatives for electric vehicle adoption in freight transportation. It also highlights the need for clearer GST regulations and support for informal transport operations. □□

<https://daily.pioneer.com/news/tech-enabled-services-reduce-logistics-costs-for-msmes-c-dep-iit-delhi-study>

Swadeshi Activities

# Swadeshi Programmes

Pictorial Glimpses



**Budget Discussion - Kanpur**



**150th Anniversary Programme of Vande Mataram, New Delhi**



**Swadeshi Mela - Saraikeela (Jharkhand)**



**Swadeshi Privar Sammelan - Jamshedpur (Jharkhand)**



## Swadeshi Activities

Pictorial Glimpses



**Akhil Bharatiya Swadeshi Sankalp Yatra**

# Discussion on Budget



**Raurkela, Odisha**



**Bhubaneswar, Odisha**



**Koraput, Odisha**