



IAS

THE



HINDU

ANALYSIS

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IAS ENGLISH

The challenge of India's digital sovereignty

In the modern world, digital infrastructure is the track on which commerce, government, and national security run. Seen in this context, recent reports of Indian closed-circuit television (CCTV) networks being compromised by hostile entities to gain access to information on India's strategic defence assets (April 2026), along with an incident in July 2025, in which Nayara Energy was abruptly denied access to its corporate email, collaboration tools, and cloud-stored data, raise serious concerns about the future of India's digital and technological sovereignty. While the CCTV security breach was attributed to the use of the Chinese software platform EseeCloud in the CCTV equipment, the Nayara episode was a result of Microsoft Corporation's unilateral enforcement of European Union (EU) sanctions against Nayara Energy due to the stake held in it by the Russian energy giant Rosneft.

These incidents have exposed an uncomfortable reality: critical Indian digital infrastructures such as authentication systems, productivity suites, and cloud platforms operate on technology platforms owned and operated by foreign technology giants. Even when data is physically stored in India, under certain existing global data governance regimes, foreign cloud technology companies can be compelled to provide data within their possession to their home governments. As a result, effective control over digital infrastructure shifts away from Indian entities to overseas corporations and foreign governments.

Foreign control, national risk

The major implication is that the functioning of Indian businesses and critical government services built on foreign technology platforms becomes vulnerable to decisions made by external sovereigns. Directives issued by external sovereigns to deny access to critical digital technology to Indian entities could suspend government operations, collapse trade and commerce, halt manufacturing, and weaken defence capabilities.

For instance, since contemporary warfare is software-defined, the intelligence embedded in fighter aircraft, missile systems, and advanced radar installations resides not in hardware but in code that remains under the control of manufacturers answerable to foreign governments. In conflict scenarios, these manufacturers could possibly degrade targeting accuracy, reduce operational range, or worse, redirect battlefield intelligence to adversaries due to instructions from external sovereigns, all through software configuration changes. A case in point is the 1999 Kargil conflict, during which



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Digital sovereignty is essential for India's technological security and strategic autonomy

India faced limitations on access to precise GPS support at a moment when navigation and targeting in mountainous terrain were operationally decisive.

India's unique situation

The vulnerability and the risks of dependence on foreign digital infrastructure are being recognised globally. France plans to shift government departments from Microsoft Teams and Zoom to a sovereign video-conferencing platform by 2027. The Netherlands, Denmark, and several German states are exploring domestic alternatives to critical United States software and cloud services such as Microsoft Word, Excel, Outlook, and Teams. The EU is seeking to reduce its dependence on American technology through independent European cloud and IT infrastructure, while Türkiye is lessening its reliance on foreign technologies.

However, unlike other nations, India's situation is uniquely precarious when contextualised within the framework of Power Transition Theory, which posits that when a rising power, desirous of maintaining strategic autonomy, approaches parity with an established hegemon, the latter invariably acts to constrain the former. History demonstrates that rising competitors are contained or co-opted. We already see it being played out on a much larger scale between the U.S. and China. With an accelerating growth trajectory, India has been inching towards this critical zone while facing a daunting task: building its economic fortune on a technology infrastructure independent of foreign influence.

The strategy to address this challenge must be multipronged. The denial of GPS access during the Kargil conflict spurred India to develop its own satellite navigation system. More recently, efforts to strengthen the domestic semiconductor ecosystem and migrate the email systems of some central government ministries to the homegrown Zoho platform reflect a growing commitment to digital and technological sovereignty. India's success in building indigenous payments infrastructure through UPI and RuPay has shown that vulnerabilities arising from foreign-controlled systems can be overcome. This model can be extended to cloud infrastructure, e-commerce platforms, authentication systems, and defence technologies.

To de-risk dependence on foreign defence technologies, India could emulate aspects of the U.S.'s defence production and procurement model. While India has long recognised the importance of self-reliance in defence manufacturing, its heavy reliance on the public sector has not delivered the desired results. The absence of an indigenous modern fighter aircraft

despite the programme having begun in the 1980s is a stark reminder of this shortcoming. In contrast, American defence platforms are largely developed by private corporations, with the government providing research funding and assured procurement. This creates a virtuous cycle in which companies develop cutting-edge capabilities while remaining aligned with national strategic interests. India has recently begun moving in this direction by inviting private-sector participation in the development of the Advanced Medium Combat Aircraft under a competitive framework.

Another way to safeguard digital sovereignty is to develop critical technologies and digital infrastructure in partnership with other countries. This ensures mutual dependence, reducing the risk of unilateral actions that could undermine India's strategic interests. The BrahMos missile programme, jointly developed by India and Russia, is a notable example. A key advantage of this approach is that it enables India to build technological capabilities without risking international isolation, unlike China which allowed only indigenous companies to develop critical technologies. Seen in this context, two recent developments are encouraging. The first is the commencement of commercial production at Micron Technology's semiconductor Assembly, Test, Marking and Packaging (ATMP) facility in Sanand, Gujarat, established through India-U.S. technology cooperation. The second is India's decision to join Pax Silica, the U.S.-led initiative on AI and supply-chain security aimed at reducing dependence on Chinese technology and strengthening trusted technology partnerships.

Close the R&D gap

Above all, India must urgently raise its research and development (R&D) spending to levels comparable with global leaders. India's gross expenditure on R&D averaged just 0.74% of GDP between 2000 and 2020 against a global average of 2.07%. This persistent R&D spending deficit raises serious concerns about India's future technological and digital sovereignty. For a country of India's demographic scale and economic ambitions, seeking to approach parity with established powers, the question is not whether it can afford comprehensive technological sovereignty, but whether it can afford to forgo it. The extent to which India succeeds in mitigating the risks to its technological sovereignty will determine its economic competitiveness and strategic autonomy in an increasingly fragmented international order.


NATIONAL

Pakistan used Chinese CCTV networks to access Indian assets for potential strikes

For nearly 3 months, ISI was getting live visual feeds and information from hacked CCTVs installed at key sites

Live visual feeds

For nearly last three months, the ISI was getting live visual feeds and information from key strategic defence sites and central armed police forces (CAPFs) installations across Punjab, Haryana, Rajasthan and Jammu and Kashmir through nine solar-powered SIM-enabled devices linked to EseeCloud – a widely used Chinese software platform for CCTV and surveillance equipment, senior Delhi Police officials told businessline.

A dark blue world map serves as the background. Two yellow arrows point from the top of the map towards the geographical locations of Russia and India. In the top right corner, there is a white icon of a bowl or a similar shape.

**Russia-backed Nayara taps Indian IT firm
after Microsoft suspends service, sources
say**

What is Digital Sovereignty?

- Digital sovereignty refers to a nation's ability to **control and secure its digital infrastructure, data, and technological ecosystems without excessive external dependence.**

- Foreign-Controlled Digital Infrastructure: A Strategic Vulnerability

- Even when data is physically stored in India, foreign companies may be legally compelled by their home governments to provide access to such data.



Implications

- Foreign manufacturers could potentially:
 - • Restrict operational capabilities.
 - • Degrade system performance.
 - • Limit access to intelligence.
 - • Influence battlefield outcomes indirectly.
- Eg – Kargil War 1999



Global Trends

- France plans sovereign alternatives to foreign communication platforms.
- ↘ • Germany, Denmark, and the Netherlands are exploring alternatives to American software ecosystems.
- ↘ • The European Union seeks greater control over cloud infrastructure and digital services.
- ↘ • Türkiye is reducing reliance on foreign technologies.

Efforts by India

§

③

- Development of **NavIC**, India's indigenous satellite navigation system.
- Promotion of **UPI and RuPay**, reducing dependence on foreign payment networks.
- Adoption of indigenous digital platforms in some government departments.
- Strengthening semiconductor manufacturing capabilities.



Strategic Partnerships

- Complete technological isolation is neither feasible nor desirable.
 - [India-U.S. semiconductor cooperation.]
 - Participation in the Pax Silica initiative.
 - The India-Russia **BrahMos** missile programme



Way ahead

- Increased investment in R&D
- Private sector partnership
- Strategic partnerships
- Prepare for all scenarios

0.7 - 0.8%

2.5%

Practice Question (15 marks)

- What is digital sovereignty? Discuss its relevance in the context of a rising power like India.

Intro → Defⁿ.

Body → Issues with foreign control.

[

Rising Power

steps taken by India

way ahead.

Conclusion →

The world that China desires and is shaping

G2 II

The sheer destructiveness of American foreign policy under United States President Donald Trump is obscuring a quiet but consequential shift in global politics. Mr. Trump's Liberation Day tariffs, the disastrous war against Iran, and systematic alienation of allies and partners have dominated headlines and consumed diplomatic bandwidth. And rightly so. The U.S., architect of the post-war international order, is now taking a machete to the very frameworks it built. But the chaos emanating from Washington is drawing attention away from what China is doing with the space this creates.

The Chinese alternative

Last week, Beijing released a white paper on global governance, which offers a systematic articulation of how it is reshaping the world order. As expected, the paper presents China as a defender of the international system, warning that humanity must not be allowed to return to "the law of the jungle". Beijing argues that it has paid its United Nations dues ahead of schedule in 2025; it has backed the restoration of the WTO's Appellate Body; and its four global initiatives are a demonstration of its responsibility as a great power. This is not, however, the full picture. A close reading of China's diplomacy shows that it is not simply defending the post-war order. Rather, it is selectively revising it, largely preserving the institutional scaffolding while quietly rewriting the normative substance that gives it meaning.

Understanding this requires disaggregating the international order into two dimensions: the institutional and the normative. The institutional order comprises the UN system, the Bretton Woods institutions, and the multilateral architecture built in the years following the Second World War. The normative order encompasses the principles that animate these institutions, from Westphalian norms of sovereignty and non-interference to liberal norms



Manoj Kewalramani

Chairperson of the Geostrategy Programme at the Takshashila Institution

China's recent white paper outlines a transformation of the norms beneath the international order

of human rights, democratic governance, free markets, and the rule of law. On the institutional front, Beijing is deeply invested. It is the second-largest contributor to the UN budget, having raised its share of the UN regular budget from under 1% in 2000 to over 20% in 2025, a proactive participant in WTO reform, and a builder of complementary institutions such as the Asian Infrastructure Investment Bank, the New Development Bank, and the Shanghai Cooperation Organisation. These are not designed to replace the existing system but to expand China's authority within it while creating parallel platforms that advance its agenda. This is institutional revisionism, not revolution.

Normative ambitions

The real action, however, is in the normative domain, where China's ambitions are far more transformative. Beijing's four global initiatives – on development, security, civilisation, and governance – collectively represent a sustained campaign of norm entrepreneurship. Individually, each sounds benign. The Global Development Initiative links itself to the UN Sustainable Development Goals. The Global Civilization Initiative (GCI) calls for respecting civilisational diversity. The Global Security Initiative (GSI) emphasises sovereignty and non-interference. And the Global Governance Initiative explicitly says that reform "does not mean to overturn the existing international order".

But look closer. The GSI's emphasis on taking "legitimate security concerns of all countries seriously" has been operationalised to dilute Ukraine's sovereign right to choose its own alliances, a position that conveniently serves Beijing's broader interest in weakening the North Atlantic Treaty Organization. The GCI's call for diverse interpretations of universal values is, in practice, an effort to recast human rights as culturally contingent rather than universal,

shielding authoritarian governance from scrutiny. And China's redefinition of democracy in explicitly outcome-based terms, where legitimacy derives from material delivery rather than political participation, institutional independence, or accountability, represents a fundamental departure from liberal norms.

Meanwhile, China's own behaviour reveals the limits of its professed commitment even to the Westphalian norms it champions. In the South China Sea, it rejected the 2016 Permanent Court of Arbitration ruling as "null and void". Along its borders with India and Bhutan, periodic standoffs persist. The Belt and Road Initiative, while framed as development cooperation, has often blurred the line between external partnership and internal influence in recipient states.

A different world

Seen in this light, what emerges is a picture not of a revolutionary power seeking to torch the existing system, but of a sophisticated selective revisionist – one that preserves the institutional architecture it finds useful while systematically hollowing out the normative foundations to align with its objectives. Beijing supports sovereignty when it suits its interests and dilutes it when it does not. It endorses multilateralism in trade while practising selective openness and securitisation at home.

This matters enormously at a moment when reckless American policies appear to be making Beijing's revisionism seem palatable to many. The risk is not that the institutional order collapses. Both Washington and Beijing, for different reasons, remain invested in its survival. The risk is that the principles animating that order are gradually redefined in a way that undermines the sovereign equality of states, weakens civil society and individual rights, and erodes the rule of law. This is a future that does not align with India's strategic interests.

Dimensions of International Order





→ Institutional Influence

- Paying UN dues ahead of schedule.
- Supporting restoration of the WTO Appellate Body.
- Promoting international cooperation through its various global initiatives.
- Its contribution to the UN regular budget has risen from less than 1% in 2000 to over 20% by 2025.
- China has also created parallel institutions, including:
 - Asian Infrastructure Investment Bank (AIIB)
 - New Development Bank (NDB)
 - Shanghai Cooperation Organisation (SCO)

Four Global Initiatives

Global Development Initiative (GDI) ✓

- Linked to the UN Sustainable Development Goals.
- Emphasizes economic development and infrastructure cooperation.

Global Security Initiative (GSI) ↵

- Focuses on sovereignty, non-interference, and addressing the security concerns of all countries.
- Often used to question Western alliance systems.

Global Civilization Initiative (GCI) ↵

- Promotes respect for civilizational diversity.
- Argues that political systems and values should reflect local cultures.

Global Governance Initiative]

- Calls for reform of global governance structures while claiming not to overturn the existing order.



Contradictions

- Rejected the 2016 South China Sea arbitration ruling.
- Engages in border tensions with India and Bhutan.
- Uses the Belt and Road Initiative (BRI) to expand political and economic influence.

Implications for India

CCM

Co-operation

- Climate Change
- Combined cultural heritage.
- HADR

Collaboration

- Tech.
- Education

Management

- Border & security challenges

Deadly fumes

Strict enforcement of safety norms is absent in many industrial units

Tamil Nadu has witnessed its deadliest industrial ammonia gas leak tragedy, which has so far claimed the lives of eight migrant women workers at a private seafood processing unit in Tiruvallur district. Some of the 68 hospitalised workers are in intensive care on oxygen support. Since the 1980s, the State has battled ammonia leaks in factories every few years, mostly in and around Chennai. Other than in Thoothukudi in 2024, where one worker died, such accidents have at worst led to the hospitalisation of large numbers of people with eye irritation and breathing difficulties. There were no casualties even when an estimated 67.638 tonnes of ammonia leaked from the undersea pipeline of a private company in Ennore during Cyclone Michaung in 2023. The scale of the tragedy at St. Peter & Paul Seafood Exports Pvt. Ltd., Tiruvallur, indicates that the colourless pungent gas may have accumulated in the atmosphere at fatal concentrations. The leak occurred when workers were resting in factory accommodation, on Sunday. Had the incident occurred on a working day, the number of people exposed to the leak from the ammonia pipeline to the ice-flake machinery could have been significantly higher.

While a committee comprising the Director of Industrial Safety and Health (DISH), the Member Secretary of the TN Pollution Control Board, and the Additional Director of Public Health is conducting an inquiry, disturbing facts have emerged. The factory reportedly failed to rectify serious deficiencies, pointed out during an earlier DISH inspection, including the absence of a suitable alarm system and fire hydrant. It had also not obtained a revised plan approval for installing an ice-flaking machine. That matter is sub judice. Investigations will reveal whether these shortcomings had any bearing in this tragedy. What is clear, however, is that had the recommendations made by DISH in the Ennore case been universally enforced in factories using ammonia, the scale of the current tragedy could have been contained. DISH had recommended the provision of adequate ammonia sensors in the plant and surrounding areas for early warning, along with water-curtain systems linked to ammonia alarms and fire-water nozzles for ammonia feed pumps to reduce the impact of leaks. The government has now decided to form a committee to inspect all 6,669 hazardous industries. However, numerous checks and balances exist under the Tamil Nadu Control of Industrial Major Accident Hazards Rules, 1994. What is required is strict enforcement through a coordinated approach, stronger penalties for violators, and the political will to act decisively against them.

Why?

- Ignorance of safety protocols.
- Poorer regulatory framework
- Lack of emergency evacuation systems

Severe Penalty

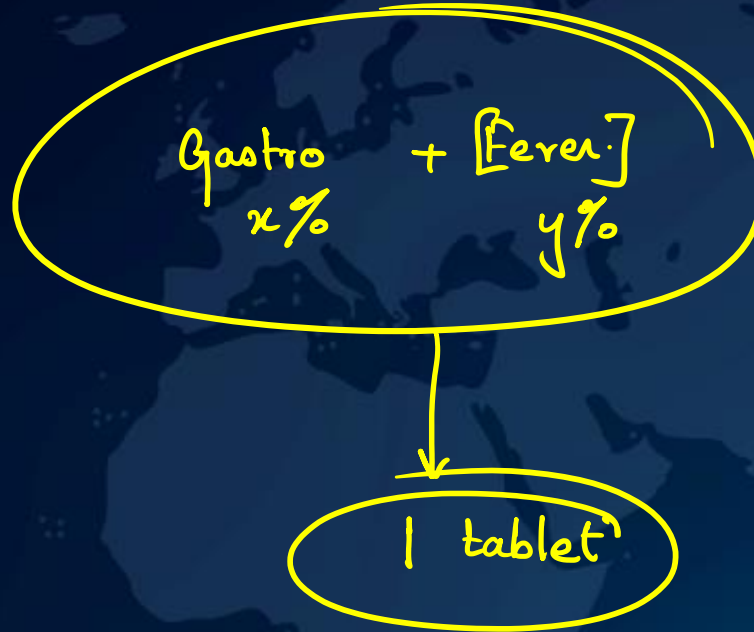
Stay with the evidence

Better monitoring of sale of banned drugs is essential

The character of science leans to openness: to new evidence and emerging facts. Its ability to be agile to pivot and shift to newer guidelines is therefore absolutely crucial. The Health Ministry's recent ban on 16 Fixed Dose Combination (FDC) drugs comes on the evidence that these drug combinations lack therapeutic justification, are 'deemed irrational or unsafe' and might pose risks to patients. The drugs include dermatological drugs, analgesics and antispasmodics, and antibiotic-based formulations. An FDC is a drug containing two or more active pharmacological ingredients, combined in a fixed ratio in a single dosage. These were meant to improve treatment compliance in chronic conditions (such as Tuberculosis) by reducing the pill burden and, sometimes, by improved therapeutic effectiveness. However, irrational combinations, besides being ineffective, can also be counter-productive and harmful. As per the latest order, all State Drug Controllers, regulatory authorities, and enforcement agencies are to ensure strict implementation and compliance with the recent notification. Instructions must also be sent to manufacturers, importers, distributors, and even individual pharmacies, to stop stocking and selling the banned FDCs.

This is not the first time that the Health Ministry is cracking down on FDCs. A detailed scientific review is undertaken before these decisions to ban FDCs are taken. In March 2016, the government banned a whopping number of over 330 FDC drugs, on the ground that they were irrational, with immediate effect. While FDCs offer the advantage of a reduction in the number of pills, of certain benefit to certain categories of patients, there are some innate issues as well: patients might need different titrations of doses, impossible with FDCs; patients might develop allergies, but it will not be clear what particular pharmaceutical ingredient they are reacting to. It is also clear that all patients may not actually need all the drugs in the combination, exposing them to unnecessary side effects. A further potential harm exists with FDCs of antibiotics: In 2016, 19% of the 330 FDCs banned were antibiotics; There is enough evidence to show that irrational antibiotic FDC drug usage leads to or exacerbates the growing antimicrobial resistance problem in the country. While the government has taken a positive step with banning these FDCs, its work has just begun. In many instances in the past, stocks of banned drugs were still being sold in pharmacies, because the message had not percolated down. While staying solidly on the side of evidence-based medicine, the government must also activate its monitoring and supervision arm in order to ensure that the benefits from the ban reach the last mile.

16 → [Fixed Dose Combinations (FDCs)]



4 tablet

Reason

15 yrs

55 yrs

A

B

FDC



x%

y%

Reactions

Side effects



A Trojan horse has breached the IITs

For a few decades now, a project called the 'Indian Knowledge System' (IKS) has sought to integrate traditional Indian wisdom into modern educational curricula. There is a legitimate quest to reclaim India's indigenous intellectual history and to elevate an informal cultural aspiration into a part of education – but the IKS of today is not it.

The real IKS might focus on the linguistics of Panini, the Nyaya school of logic, the Kerala school of mathematics, the development of Wootz steel, and so on. But the IKS being institutionalised, including under IIT-Mandi director Laxmidhar Behera, is concerned with "Puranic science", mythology as history, ritual as technology, and an open contempt for verifiability.

The more aggressive avatar of IKS was formalised by the National Education Policy (NEP), 2020. It began by documenting breakthroughs in metallurgy and ancient mathematics before increasingly blurring the lines between historical scholarship and theological revivalism. There are now IKS hubs at IIT-Kharagpur, IIT-Gandhinagar, IIT-Bombay, and IIT-Kanpur. Those at Kanpur and Mandi in particular have emerged as 'leaders' in the "research" of "consciousness", reincarnation, and "Vedic" biology. These words are within quote marks because, as with the IKS, what they claim to stand for in name is not what they stand for in substance.

Proponents of pseudoscience

The IKS centres' proponents say they endeavour to "decolonise" the Indian mind. This is farcical. The Bengal renaissance of the 19th century, including figures such as Jagadish Chandra Bose and Prafulla Chandra Ray, synthesised Indian identity with rigorous scientific study and proved that decolonisation does not have to open the door to pseudoscience. The IKS centres intend to embed myth-based inquiries in the framework of the IITs, leveraging with



Vasudevan
Mukunth

The Indian
Knowledge
System centres
intend to embed
myth-based
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framework of
the IITs

the institutes' prestige to acquire for their politico-religious dogma a veneer of scientific legitimacy.

Recently, IIT-Mandi and IIT-Kanpur hosted a "special session" dedicated to the "science" of reincarnation. The programme proposed using EEG data and astrological birth charts to track "past life memories" in children. The event was attended by speakers from the University of Virginia's Department of Perceptual Studies (DOPS), itself a controversial entity.

The event was a crisis in higher education. Pseudoscience is now well and truly institutionalised, and the participating IITs have signalled their willingness to trade their academic credentials for theological dogma. The 'researchers' at the event discussed building a "systematic methodology" for a universal metaphysical claim based on one six-year-old in north India. This is normally called an anecdote.

To suggest one child's neural response could 'validate' the concept of reincarnation does a disservice to the best traditions of Indian philosophy. They remain excellent not as peculiar products of their times but because their exponents thought sincerely and carefully about what facts they had. To have the facts we do today and still believe a 'study' with a cohort size of one or using a physicalist entity (EEG) to prove a dualist theory (reincarnation) to be credible is silly.

The 'researchers' proposed to show the child their "past-life-related stimuli", such as photos of a spouse from a 'previous life', and record the brain's reaction. Given that the group's own protocol involved "developing familiarity" with the child and collecting photos from the "claimed previous-life family" before the test, the 'researchers' are fundamentally creating the very stimuli they claim to be 'discovering'. This is called confirmation bias. Including astrology in this mix is nonsense.

The IKS centres partnered with

DOPS for "Western" credibility but the work at DOPS has been notorious for its methodological looseness. Critics have pointed out that in the interval between a death and a supposed rebirth, the 'previous family' and the 'current family' seem to have ample opportunity to meet, communicate, and line up their stories to fit a cultural narrative of reincarnation. The 'researchers' also did not examine the fact that "past life memories" are almost exclusively reported in cultures that already believe in reincarnation.

Forceful approach

After years of trying to change academia from the outside-in using student violence and by revising textbooks, it seems the Hindutva programme has finished shifting its strategy to an inside-out approach with top-down force. Doctoral students were required to attend the "special session". The centres have used IIT funds and research fellows to 'hunt' ghosts as fieldwork. The University Grants Commission's 2023 guidelines require all students of higher education to take IKS courses for credit. The IITs' administrators know they are compromising the institutions' reputation, but they are willing to risk that because their goal is not scientific leadership. It is domestic ideological consolidation.

The spreading rot of pseudoscience at the IITs will encourage top-tier Indian talent to move to universities abroad that still see the line between decolonising and science. Good international scientists beginning to look down on IIT degrees because of these "special sessions" will also serve the "atmanirbhar" narrative by separating an elite Indian education from global standards of rationalism. Ultimately, the loop will be closed to leave Indian scholars to be judged only by their loyalty to a specific civilisational project.

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Indian Knowledge System
NEP



IITs

Pseudoscience

Reincarnation



Reclaiming T.N.'s fiscal autonomy

Tamil Nadu's problem today is not fiscal profligacy or corruption; the pressing problem is its model of inclusive growth itself; the real challenge is getting investment, generating decent jobs, improving wages, while actively renegotiating fiscal space with the Centre

ECONOMIC NOTES

Kalaiyarasan A.

The Government of Tamil Nadu's white paper is a comprehensive analysis of the State's financial status and economic conditions. Detailed like the white paper prepared by the Dravida Munnetra Kazhagam (DMK) in 2021, the Tamilaga Vetri Kazhagam's (TVK)'s 120-page document begins with an important line: 'It is neither an exercise in retrospective blame nor a political statement'. In that spirit, this is a genuine exercise.

It indeed offers an honest account of what went wrong with tax collection: a shrinking base and leakages embedded in both revenue collection and expenditure patterns. While its diagnosis is rigorous, what is not clear, however, is how the government is going to fix the leakages and manoeuvre the welfare that it has promised during its election campaign.

Unsustainable fiscal deficit

The white paper lays bare the structural weaknesses facing Tamil Nadu's economy and outlines a possible course correction which, in that sense, has a lot more continuity than the earlier one submitted by the DMK.

Both literally state that "the current levels of fiscal deficit are unsustainable primarily because a substantial portion of the fiscal deficit is simply to fund the revenue deficit". It means the State is simply borrowing to fund current consumption rather than to create assets. To be sure, for every rupee borrowed about 60 paise goes to current consumption. But one has to be cautious in reading too much into this as substantial expenditure for health and education are under the revenue account.

In an economy, the government needs to raise resources to pay for the provision of public goods and services, build social and physical infrastructures needed for growth and protect the vulnerable from the market forces. In that sense, every policy is a political choice with losers and gainers not just within the present generation but also across generations since public debt shifts the burden of payment to future generations.

The white paper says that the State is deep in debt and its fiscal deficit is beyond the prescribed limit. On average, an individual pays about ₹38,000 in taxes to the State and the Union governments and receives about ₹54,500 worth of subsidies and services. The gap is typically funded by borrowing. The consolidated debt of each individual is then around ₹1.29 lakh, and the cumulative debt is about 28% of the State income, which is the cause for concern today.

Collapse of revenue generation

The serious concern that the report flags is not just debt but of the collapse of the revenue generation itself. While the white paper shows the account of revenue generation of the past five years, the collapse precedes this by at least a decade.

Make no mistake, Tamil Nadu was one of the few States that predominantly sustained itself on its own revenue for its expenditure – about 70% of its expenditure from its own tax in sharp contrast to States such as Bihar and Uttar Pradesh which largely rely on the Centre's transfer.

With the introduction of the GST in



A delicate equation: Tamil Nadu Chief Minister Joseph Vijay with Prime Minister Narendra Modi in New Delhi. Mr. Vijay has the enormous responsibility to not only put the State's inclusive growth model back on track, but also to reclaim fiscal autonomy from the Centre. @PRAKINDIA

2017, States have lost their autonomy on taxation. Tamil Nadu suffered the most. The State's Own Tax Revenue (SOTR) to Gross State Domestic Product (GSDP) ratio, which was 7.92% in 2011-12, has been steadily declining, and was down to 5.93% in 2021-22 and further down to 5.45% in 2025-26. The ratio reflects the State's capacity to mobilise its own tax resources relative to the size of its economy. While the white paper clearly shows that the decline is spread across all major tax heads – GST, petroleum VAT, State excise, stamp duty and motor vehicle tax, the GST alone accounts for about 53% total tax revenue. Despite having the second largest economy with the size of ₹35.29 lakh crore of GSDP, its GST collection was ₹72,008 crore lower than that of Karnataka (₹87,256 crore), and Gujarat (₹80,823 crore).

Beside the systemic corruption and inefficiencies in tax collection, the predominance of the service sector also contributed to the decline in GST collection. It appears many units within the sector are beyond the tax net.

Revenue leakages, sectoral debt

Similarly, motor vehicle tax collection has lagged since the number of vehicles registered in the State has not kept pace. Not to mention stamp duties in rent-seeking sectors such as real estate which is known for undervaluation of the property at registration and excessive leakages and corruption.

Even mining revenue is among the most striking examples of stagnation in non-tax income. Besides corruption in valuation, leakage in the assessment of minor mineral extraction also contributed to the decline.

The key sectors that drive the State in this debt trap are the power sector and transport. The power sector alone carries ₹2.47 lakh crore of debt.

The State has historically built progressive power subsidy model – taxing industries and paying for poor and farmers which have become sites of political rent-seeking tied to electoral cycles.

Beside the steady decline in its own tax collection, the State has also been increasingly losing its share in the Union transfer. For instance, Union tax devolution and grants-in-aid together constituted about 34.95% of Total Revenue Receipts in 2021-22 and it declined to 25.5% in 2025-26. Again, this decline precedes a decade. The State's share in total transfer was 5.305% in the 12th Finance Commission period, but it came down to 4.969% in the 13th Finance Commission period and fell down to 4.023% for the 16th Commission.

This declining share is due to the formula adopted by the successive Finance Commissions. The high weightage given to the per capita income distance, combined with population works to the State's disadvantage. In this sense, the State has become a victim of its own success: since per capita income distance favours poorer States by allocating them a larger share of resources, relatively developed States like Tamil Nadu receive less, effectively penalising their higher levels of economic progress. Even the weight assigned to GDP contribution by the 16th Finance Commission did not help as the formula remains unfavourable. Nor have criteria such as area and forest cover worked in the State's favour.

On the other hand, the shareable divisible pool has been shrinking thanks to the arbitrary cess and surcharges imposed by the Centre that takes away the legitimate resources of the States. In that sense, the State is a victim of both vertical and horizontal distribution.

With declining Union transfers and the erosion of its own revenue base, Tamil Nadu's government size – measured by total expenditure as a share of GDP – has shrunk, weakening the State's fiscal capacity. Together, these factors, limit the State's ability to intervene in the economy.

As the white paper shows, about 64% of every rupee of revenue receipts in 2025-26 is pre-committed on the account of salaries, pensions and interest. With the inflexible non-discretionary

obligations of 23%, the pre-committed expenditure goes up to 87% leaving little room for any additional expenditure or any new schemes. Global uncertainty or any exogenous shock could make the economy paralysed.

Debt, demography and scissors effect

This potential debt trap also comes at a time when the State is witnessing faster demographic change. It's aging faster than any other large State in India. Tamil Nadu's median age is 34.25 years – nearly 9.5 years older than Uttar Pradesh and its old-age dependency ratio is projected to increase from 20.6 in 2021 to 32.7 by 2036. This has two implications. The ability to repay the debt is limited, the paper argues, because a shrinking working-age population means a shrinking tax base. It also means the need for higher social expenditure as the share of elderly population goes up. The interaction between a rising debt stock and a shrinking working-age population can create condition for a debt trap which demographers call 'scissors effect' – the widening gap between revenue capacity and expenditure obligations.

The pressing problem

However, Tamil Nadu's problem today is not fiscal profligacy or corruption. The pressing problem is its model of inclusive growth itself. The real challenge thus is getting investment, generating decent jobs, improving wages, while actively renegotiating fiscal space with the Centre. The welfare architecture that the State has built is not enough.

Educated youth who rallied behind the TVK are not seeking more welfare, but decent jobs and wages. Welfare can't be a substitute for jobs and wages. It is time to get the growth fundamentals right, which require investment in education, health, and public infrastructure. Chief Minister Joseph Vijay thus has the enormous responsibility not only to put the inclusive growth model back on track, but also to reclaim fiscal autonomy from the Centre.

Kalaiyarasan A. is Associate Professor, Madras Institute of Development Studies

THE GIST

The white paper lays bare the structural weaknesses facing Tamil Nadu's economy and outlines a possible course correction which, in that sense, has a lot more continuity than the earlier one submitted by the DMK.

The serious concern that the report flags is not just debt but of the collapse of the revenue generation itself. While the white paper shows the account of revenue generation of the past five years, the collapse precedes this by at least a decade.

Despite having the second largest economy with the size of ₹35.29 lakh crore of GDP, its GST collection was ₹72,008 crore lower than that of Karnataka and Gujarat.

Pongal

Key data

- Tamil Nadu's cumulative debt is about **28% of the State economy (GSDP)**.
- On average, an individual pays about **₹38,000 annually in taxes** to the State.
- In return, the State spends approximately **₹54,500 per person**.
- The difference is financed through borrowing.

Historical Strength to recent decline

- Tamil Nadu's Own Tax Revenue (SOTR) to GSDP ratio:

- 7.92% (2011-12)
- 5.93% (2021-22)
- 5.45% (2025-26 projected)

- GST collections:

- Tamil Nadu: ₹72,008 crore ✓
- Karnataka: ₹87,256 crore]
- Gujarat: ₹80,823 crore]

- Despite being India's:

- **Second-largest economy**
- GSDP of ₹35.29 lakh crore

- Tamil Nadu collects substantially lower GST than Karnataka and Gujarat.

A dark blue world map is visible in the background, showing the outlines of continents. In the top right corner, there is a small white icon of a bowl or cup.

Revenue leakages

- Motor Vehicle Tax ✓
- Stamp Duty and Registration ↙
- Mining Sector
- Power Sector Losses ✓
- Civic Sector



Fiscal federalism

- Union tax devolution and grants:
 - 34.95% of State revenue receipts (2017-18)
 - 25.5% (2025-26)
- **Finance Commission Share**
- Tamil Nadu's share:
 - • 5.305% (12th Finance Commission)
 - 4.969% (14th Finance Commission)
 - • 4.023% (16th Finance Commission)

Reason

- Finance Commission formulas heavily emphasize:
 - Population
 - Income distance

Challenges

- Around **64% of revenue receipts in 2025-26** are already committed to:
 - Salaries
 - Pensions
 - Interest payments
- Demographic challenge :
 - Tamil Nadu's median age: **34.25 years**
 - Around **9.5 years older than Uttar Pradesh**
 - **Rising Dependency**



Prelims

Core sector growth slows to 0.5% in May; coal, refinery products down amid crisis

T.C.A. Sharad Raghavan
NEW DELHI

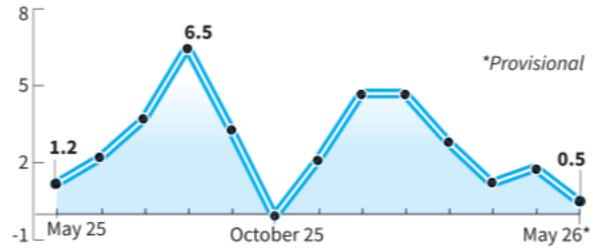
The growth in India's eight core industrial sectors slowed to 0.5% in May 2026, the second lowest in 21 months, official data showed. The data on the Index of Eight Core Industries released by the Ministry of Commerce and Industry on Monday showed that five out of eight sectors contracted in May.

The only month in the past 21 months that saw a slower core sector growth was October 2025, when the index contracted 0.1%.

"Core sector growth in May was disappointing at 0.5% compared with 1.2% last year," Madan Sabnavis, chief economist at the Bank of Baroda, said. "The lower growth number on a low base can be attributed

Growth slump

After touching 6.5% in August 2025, core sector growth has slowed to 0.5% in May 2026, the second slowest in 21 months



SOURCE: MINISTRY OF COMMERCE & INDUSTRY

more to the decline in production from the petroleum-based sector."

The crude oil sector contracted 4.6% in May, a worse performance than the contraction of 3.9% in April and of 1.8% in May last year. Similarly, the natural gas sector contracted 4.9% in May, its worst performance in three months.

The refinery products

sector contracted by 8.7% in May, its worst performance in three-and-half years. According to Rahul Agrawal, principal economist at ICRA, this "partly reflects the fallout of the West Asia crisis". The coal sector, too, contracted by 9.3% – the worst in 10 months. "Crude oil, natural gas, and refinery products – all registered a de-

cline in production," Mr. Sabnavis said. "This can be attributed more to the higher import of crude and softening of prices in the international market."

The fertilizer sector contracted for the third consecutive month in May, by 0.9%. This was, however, a stronger performance than the contraction of 8.6% in April and of 24.6% in March.

The steel, cement, and electricity sectors were the only ones that registered growth in May. Of these, the electricity sector saw growth accelerate to 8.7%, albeit on a low base since the sector contracted by 4.7% in May last year. The steel sector saw growth slowing to a 13-month low of 5%, while the cement sector quickened marginally to a growth of 8.4%.

Yearly Index & Growth Rate

Base Year: 2011-12=100

Index

Sector	Coal	Crude Oil	Natural Gas	Refinery Products	Fertilizers	Steel	Cement	Electricity	Overall Index
Weight	10.33	8.98	6.88	28.04	2.63	17.92	5.37	19.85	100.00

Coal - Coal production (weight: 10.33 per cent) decreased by 9.3 per cent in May 2026 over May 2025. Its cumulative index declined by 9.1 per cent during April to May 2026-27 over corresponding period of the previous year.

Crude Oil - Crude Oil production (weight: 8.98 per cent) declined by 4.6 per cent in May 2026 over May 2025. Its cumulative index declined by 4.2 per cent during April to May 2026-27 over corresponding period of the previous year.

Natural Gas - Natural Gas production (weight: 6.88 per cent) declined by 4.9 per cent in May 2026 over May 2025. Its cumulative index declined by 4.5 per cent during April to May 2026-27 over corresponding period of the previous year.

Petroleum Refinery Products - Petroleum Refinery production (weight: 28.04 per cent) declined by 8.7 per cent in May 2026 over May 2025. Its cumulative index declined by 4.7 per cent during April to May 2026-27 over corresponding period of the previous year.

Fertilizers - Fertilizer production (weight: 2.63 per cent) declined by 0.9 per cent in May 2026 over May 2025. Its cumulative index declined by 4.5 per cent during April to May 2026-27 over corresponding period of the previous year.

Steel - Steel production (weight: 17.92 per cent) increased by 5 per cent in May 2026 over May 2025. Its cumulative index increased by 5.2 per cent during April to May 2026-27 over corresponding period of the previous year.

Cement - Cement production (weight: 5.37 per cent) increased by 8.4 per cent in May 2026 over May 2025. Its cumulative index increased by 8.3 per cent during April to May 2026-27 over corresponding period of the previous year.

Electricity - Electricity generation (weight: 19.85 per cent) increased by 8.7 per cent in May 2026 over May 2025. Its cumulative index increased by 7.1 per cent during April to May 2026-27 over corresponding period of the previous year.

Doval hosts NSAs of BRICS nations amid West Asia tensions

Doval holds talks with Iran official Ghadir Nezamipour and Chinese Foreign Minister Wang Yi at meeting to survey global security issues

Kallol Bhattacharjee
NEW DELHI

Developments in West Asia formed the dominant backdrop as National Security Adviser (NSA) Ajit Doval hosted his counterparts from BRICS grouping in New Delhi for the BRICS NSAs meeting.

Mr. Doval met Ghadir Nezamipour, Deputy Secretary for Defence Affairs of Iran's Supreme National Security Council (SNSC), Chinese Foreign Minister Wang Yi, and Secretary of Multilateral and Political Affairs of Brazil Carlos Cozende among others who are here to attend the two-day event that will survey the security architecture of the world.

"Both sides reviewed the ongoing situation in West Asia. They also discussed cooperation under the BRICS platform and India-Iran bilateral ties," said the Ministry of External Affairs (MEA) after Mr. Doval met Mr. Nezamipour.

The MEA said the meeting between Mr. Doval and Mr. Wang was "forward looking" and added, "The two sides reviewed recent developments in bilateral relations and noted pro-



National Security Advisor Ajit Doval and Deputy Secretary for Defence Affairs of Iran's SNSC, Ghadir Nezamipour in New Delhi. PTI

gress towards gradual normalisation. The NSA underlined that stable, predictable and constructive bilateral relations contribute to building of trust and better understanding between the two sides."

Tehran and Beijing

The Iranian delegation held a detailed meeting with the Chinese side on the sidelines of the BRICS meeting, informed the Embassy of Iran. Mr. Nezami "expressed appreciation" for "China's political support and emphasised the importance of strengthening the strategic partnership between Tehran and Beijing, as well as Iran's readiness to respond to any potential threats."

"China's Foreign Minister reaffirmed support for Iran's security and territorial integrity, welcomed the improvement of Iran's relations with regional countries and expressed Beijing's willingness to contribute to diplomatic efforts aimed at promoting regional stability," said the Iranian Embassy, informing that the two sides will continue to "maintain close consultations".

The June 22-23 meeting of the NSAs of the BRICS countries will focus on 'non-traditional security challenges confronting the world today'. The meeting will include a review of the outcomes of BRICS Joint Working Groups on Counter-Terrorism.

ASI transfers Rakhigarhi skeletons to AnSI for a scientific investigation

Sreeparna Chakrabarty
NEW DELHI

Human skeletal remains excavated from the archaeological site of Rakhigarhi in Haryana have been formally handed over by the Archaeological Survey of India (ASI) to the Anthropological Survey of India (AnSI), a national research institute under the Union Culture Ministry, for a detailed scientific investigation.

The transfer, carried out under a memorandum of understanding (MoU) between the two institutions, is expected to significantly advance multidisciplinary research into one of the most important urban centres of the Indus-Saraswati Civilisation, B.V. Sharma, Director of AnSI, said.

Rakhigarhi, spread across approximately 550 hectares in Haryana, is widely recognised as the largest known settlement



Ancient remains: The skeleton of a woman, excavated in a trench on Mound 7 at Rakhigarhi in Haryana, in April 2022. FILE PHOTO

of the Harappan Civilisation. Archaeological excavations have revealed evidence of continuous habitation, from the Early Harappan to the Mature Harappan periods.

Mound 7 at the excavation site has been identified as a burial plot where **56 skeletons** were recovered, including that of a woman, roughly 4,600 years old, which created a buzz in the fields of history, anthropology, genomics, and even linguistics.

DNA analysis of the skeleton revealed that the Rakhigarhi woman did not possess the steppe pastoral gene, fanning the debate on Aryan migration to India. The word "Aryan" has been interchangeably used for the steppe pastoralists, though to avoid racial connotations, many scholars now prefer to use the term Indo-Aryan.

Three complete human skeletons among those recovered from Mound 7, along with skeletal frag-

ments recovered from other burials, have now been transferred to the AnSI's ancient human skeletal repository and laboratory in Kolkata for a detailed examination. The remaining skeletal materials obtained at these sites are also expected to be transferred in a few days, the Culture Ministry said in a statement on Monday.

Researchers believe the remains present a rare opportunity to apply modern scientific techniques, including ancient DNA (aDNA) analysis, stable isotope studies, osteological assessments, palaeopathological investigations, and environmental reconstruction, the statement added.

The research will be conducted in collaboration with leading scientific institutions, including the Birbal Sahni Institute of Palaeosciences, University College London, and the Banaras Hindu University.

550 hectares

4600 yrs old

Net FDI jumped to \$6.6 bn in April, highest in nearly 5 years

T.C.A. Sharad Raghavan
NEW DELHI

Net FDI rose to \$6.6 billion in April 2026, its highest level in nearly five years, driven by a 65% surge in gross inflows, an analysis of official data shows.

In other words, the data released by the Reserve Bank of India on Monday shows that the total amount of direct investment that entered the country in April 2026 exceeded the amount leaving it by \$6.6 billion. The corresponding figure in March 2026 was \$917 million. April's net FDI figure was the highest since May 2021.

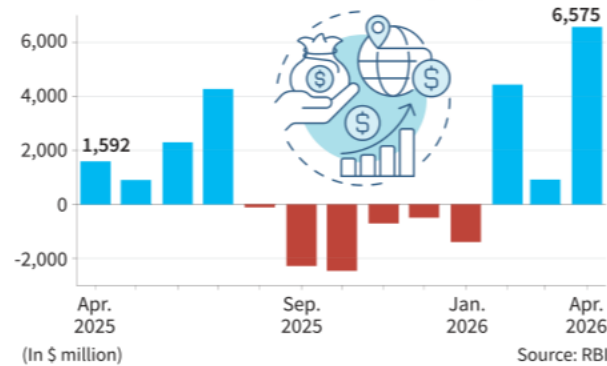
The surge in gross inflows even overshadowed the fact that outward FDI by Indian companies also rose to a historic high in April 2026.

Nevertheless, the data for April marks a significant turnaround from just a few months ago, since net FDI had been negative for six consecutive months up to February 2026.

Gross FDI in April 2026, or the total amount of direct investment that en-

Net positive

Net FDI rose sharply in April 2026 due to a surge in gross inflows



tered the country that month, surged to \$15.3 billion – the highest since at least March 2021, the earliest month for which data is easily available.

This figure was 65% higher than in April last year, and 131% higher than in March 2026.

To further put this figure into context, the gross FDI inflows in the single month of April 2026 was more than 16% of the amount that came in the entire financial year 2025-26.

“Source wise, more than 75% of the FDI flows came from Japan, Singa-

pore and Mauritius,” the RBI said in its monthly bulletin report.

Slower outflow growth

Gross outflows rose, too, but at a significantly slower pace, to \$8.7 billion in April 2026 from \$7.7 billion in April last year – a growth of 13.7%. Within this, outward FDI by Indian companies rose nearly 42% in April 2026 to \$4.8 billion, the highest level since at least March 2021.

“As regards outward FDI, around 80% of the flows were directed to the U.S. and the Cayman Islands,” the RBI said.



PIB

India Becomes World's Top Ship Recycling Nation in 2025

India's Ship Recycling Share Jumps to 35.4% in 2025, Highest in the World as per UNCTAD

India Achieves Maritime India Vision 2030 Ship Recycling Target Five Years Ahead of Schedule

PM Modi's Maritime Reforms Make India No.1 in Global Ship Recycling: Sarbananda Sonowal

Posted On: 22 JUN 2026 5:54PM by PIB Delhi

India has emerged as the world's leading ship recycling nation in 2025, ranking first globally. India's share of global ship recycling increased to 35.4% in 2025 from 30.1% in 2024, according to the latest report by the United Nations Conference on Trade and Development (UNCTAD). Ship recycling in India rose significantly to 2.99 million gross tons (GT) in 2025, up nearly 60% from 1.86 million GT in 2024. With this achievement, the target set under Maritime India Vision (MIV) 2030 to become the world's leading ship recycling nation has been achieved well ahead of schedule.

This achievement reflects the impact of maritime policy reforms and ease-of-doing-business initiatives undertaken by the Government of India under the visionary leadership of Prime Minister Narendra Modi.

On this occasion, the Union Minister of Ports, Shipping & Waterways (MoPSW), Sarbananda Sonowal, said, "India's emergence as world's top ship recycling nation reflects the success of sustained policy reforms, industry efforts and adherence to international environmental and safety standards under the visionary leadership of Prime Minister Narendra Modi. It reinforces India's position as a global hub for responsible and sustainable ship recycling."

Key Government Initiatives

To strengthen India's ship recycling ecosystem and capture a larger share of the global market, the Ministry of Ports, Shipping and Waterways (MoPSW) has undertaken several initiatives:

Hong Kong Convention Compliance:

The Government of India enacted the Recycling of Ships Act, 2019, to develop a ship recycling ecosystem aligned with the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships (HKC), which India ratified in 2019.

The government has provided financial assistance of ₹53.5 crore to support the modernisation of ship recycling yards, helping 115 facilities become HKC-compliant.

Ship-breaking Credit Note Scheme:

MoPSW launched the Ship-breaking Credit Note Scheme, under which ship owners receive a credit note equivalent to 40% of the scrap value of a recycled ship. The credit note can be utilised toward payment of up to 5% of the value of a new vessel built at an Indian shipyard, thereby promoting both ship recycling and domestic shipbuilding.

Stakeholder Engagement:

MoPSW regularly engages with the Gujarat Maritime Board, the Ship Recycling Industries Association, global shipping companies, cash buyers, classification societies and international organisations to identify challenges and implement targeted solutions.

Inclusion Under European Union Ship Recycling Regulations (EUSRR):

The Government of India is actively pursuing the inclusion of Indian ship recycling yards in the European Union's approved list of recycling facilities. Continuous engagement with relevant authorities is underway to facilitate approvals.

Expansion of Alang Ship Recycling Yard:

India aims to nearly double its ship recycling capacity to about 9 million light displacement tons (LDT) through the planned expansion of the Alang Ship Recycling Yard. The Government of Gujarat has prepared a comprehensive master plan to support future demand, improve infrastructure and enhance India's competitiveness in the global market.

Strong Growth Prospects

According to the Baltic and International Maritime Council (BIMCO), more than 16,000 vessels are expected to be recycled globally over the next decade. With a current market share of 35.4%, India is well-positioned to recycle approximately 500 to 600 vessels annually while continuing to expand its ship recycling capacity.

A Sustainable Ship Recycling Future

India's rise to the top position in global ship recycling is the result of a coordinated strategy focused on sustainability, regulatory reforms, infrastructure development and industry collaboration. With strong future demand, increasing compliance with international standards and continued government support, India is well-positioned to strengthen its leadership in ship recycling while advancing the objectives of the circular economy and sustainable maritime development.

Union Home Minister and Minister of Cooperation Shri Amit Shah to launch NAFED's auction portal 'NAFEX.in' in New Delhi

Shri Amit Shah will also launch NAFED-KALYAN scholarship for children of farmers, DRISHTI inventory management portal and ERP portal

NAFEX.in will strengthen transparency, efficiency and digital processes in agricultural produce auctions

Posted On: 22 JUN 2026 2:26PM by PIB Delhi

Union Home Minister and Minister of Cooperation Shri Amit Shah will launch NAFED's auction portal 'NAFEX.in' tomorrow, 23 June 2026, at Atal Akshay Urja Bhawan, New Delhi. Union Minister of Agriculture and Farmers Welfare Shri Shivraj Singh Chouhan will also attend the programme. Chairman, NAFED Shri Jethabhai Ahir, Managing Director, NAFED Shri Deepak Agarwal and senior officials will also be present on the occasion.

During the programme, Shri Amit Shah will launch several important digital and farmer-centric initiatives of NAFED. These include **NAFED-KALYAN scholarship for children of farmers**, **DRISHTI portal for inventory management of pulses and oilseeds**, **ERP portal for strengthening enterprise resource planning**, and the auction portal **NAFEX.in**. A live registration demonstration on the auction portal and launch of auction process will also be held during the programme.

The launch of **NAFEX.in** is an important step towards **strengthening transparency, efficiency and ease of operations** in the auction process. The portal is expected to provide a digital platform for streamlining auction-related activities and enhancing the overall functioning of NAFED in the interest of farmers, member institutions and stakeholders.

On the occasion, the Union Home Minister and Minister of Cooperation will also distribute NAFED-KALYAN scholarship cheques to children of farmers. The initiative reflects NAFED's commitment towards farmer welfare and supporting the education of farmers' children.

After the launch programme, Shri Amit Shah will meet members of NAFED's Board of Directors. During the meeting, a presentation will be made by NAFED on its activities and progress, including action taken on the directions given by the Union Minister during his previous visit and on the future roadmap of NAFED.

NAFED plays a significant role in supporting farmers, agricultural marketing, procurement and cooperative-based agricultural trade. The launch of these digital and welfare initiatives is aligned with the Hon'ble Prime Minister Shri Narendra Modi's vision of "Sahkar Se Samridhhi" and the Government's efforts to strengthen cooperative institutions through technology, transparency and farmer-centric reforms.

NAFED

- The National Agricultural Cooperative Marketing Federation of India (NAFED) is an organisation of marketing cooperatives for agricultural produce.
- It was established on October 2 1958 under the Multi State Cooperative Societies Act.
- It was set up with the aim of promoting co-operative marketing of agricultural produce that would benefit farmers.

Objectives

- To organise, promote, and develop marketing and storage of agricultural and forest produce.
- Assist for technical advice in agricultural production.
- Facilitation, coordination and promotion of marketing and trading activities of partners associates in the agricultural sector.
- Undertaking purchase, sale and supply of agricultural, marketing and processing requirements such as manure, seeds, fertilizers etc.
- Facilitate the construction of warehouses as per the Warehousing act by constructing its own godowns and storage facilities.
- Act as agent of any government or cooperative for the purchase, sale and storage of agricultural, horticultural and animal husbandry produce.
- Provide insurance coverage to cover any accidents that may occur.
- Organize consultancy work for the benefit of allied institutions under the NAFED
- To undertake marketing research and dissemination of market intelligence;
- To subscribe to the share capital and undertake business collaboration with cooperative institutions, public, joint and private sector enterprises, if and when considered necessary for fulfilling the objectives of NAFED.

