

SC refers UAPA bail curbs question to larger Bench

The court says the reference is needed to ensure 'parity, consistency and institutional fidelity' in applying binding precedents; it also grants six months of interim bail to two Delhi riots accused

Aaratrika Bhaumik
NEW DELHI

The Supreme Court on Friday granted six months of interim bail to two accused in the 2020 Delhi riots case while referring to a larger Bench the question of whether prolonged incarceration and delay in trial can override the stringent bail curbs under anti-terror laws such as the Unlawful Activities (Prevention) Act, 1967 (UAPA).

The court said the reference was necessary to ensure "parity, consistency and institutional fidelity" in the application of binding precedents by coordinate Benches. The reference was made by a Bench of Justices Aravind Kumar and P.B. Varale during the hearing of bail



The matter must ordinarily be placed before the Chief Justice of India for the constitution of an appropriate Bench. A coordinate Bench cannot, by strong observations, effectively unsettle the ratio of an earlier coordinate Bench while continuing to sit in equal strength

SUPREME COURT

pleas filed by riots accused Abdul Khalid Saifi and Tasleem Ahmad, challenging a September 2, 2025 order of the Delhi High Court denying them bail.

"Where a coordinate Bench entertains reservations about the reasoning of an earlier coordinate Bench, particularly on the application of a binding

three-judge Bench decision, the proper course is well settled. The matter must ordinarily be placed before the Chief Justice of India for the constitution of an appropriate Bench. A coordinate Bench cannot, by strong observations, effectively unsettle the ratio of an earlier coordinate Bench while continuing to

sit in equal strength," the Bench observed.

The reference came in response to the Delhi police's contention that a May 18 judgment delivered by a coordinate Bench – which had expressed "serious reservations" about the Justice Kumar-headed Bench's January ruling refusing bail to activists Umar Khalid and Sharjeel Imam in the Delhi riots "larger conspiracy" case – had proceeded on a "blanket generalisation" of Supreme Court precedents.

Additional Solicitor General S.V. Raju, appearing for the Delhi police, told the Bench that the question of bail must turn on the facts and circumstances of each case.

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SC refers UAPA bail issue to larger Bench

“Latest (May 18) judgement says you don’t have to see the role, you don’t have to see the nature of the crime. So there is no categorisation...This can’t be done. This can’t be how it has to be applied. It has to be applied to the facts of each case. That’s what your Lordships have precisely done,” Mr. Raju submitted.

He contended that courts must strike a balance between the “interests of society and victims” and the “rights of the accused” while considering bail under terror statutes.

May 18 judgment

The May 18 judgment, delivered by Justices B.V. Nagarathna and Ujjal Bhuyan, had underlined that the January 5 verdict failed to correctly apply the binding principles laid down by a larger three-judge Bench in *Union of India v. K.A. Najeeb* (2021) case, which held that prolonged incarceration and delay in trial can “melt down” the stringent bail embargo under Section 43D(5) of the UAPA.

The Justice Kumar-led Bench on Friday said that the “discipline of precedent” does not permit a coordinate Bench to express “reservations of a fundamental character” on the alleged misapplication of a larger Bench ruling without the matter first being placed before a Bench of appropriate strength to resolve the “perceived conflict”.

“If [the ruling] had proceeded on the basis that Section 43D (5) eclipses Article 21, or that prolonged incarceration has no constitutional bearing in UAPA prosecutions, it could hardly have been invoked by accused persons seeking enlargement on bail. The very reliance placed upon it demonstrates that the said decision cannot be placed in a rigid or one-sided frame,” the Bench observed.

The Bench cautioned that an “unqualified reading” of the proposition that mere passage of time may compel bail in every UAPA case could have “serious consequences”. Such an approach, it said, would leave courts with little room to examine factors such as the nature of the allegations, the centrality of the accused’s role, protection of witnesses, the risk of intimidation, possible reactivation of networks, whether delays were attributable to the accused, and broader concerns of public order and national security.

At the same time, the Bench acknowledged that an “equally unqualified insistence” on Section 43D(5), without regard to prolonged incarceration, would imperil the guarantee of personal liberty under Article 21 of the Constitution. This “perceived conflict”, it said, warranted consideration by a larger Bench.

SC recalls 'harsh' remarks made over textbook row

The Hindu Bureau

NEW DELHI

The Supreme Court on Friday recalled observations made in an order blacklisting three educators for preparing a Class 8 NCERT textbook with references to judicial corruption even as the government orally conveyed a determination not to associate with them anymore.

"The conclusive opinion attributing motive to your clients has been deleted. The observations that it was a deliberate misrepresentation to tarnish the judiciary have been removed. We have also set aside the direction that nobody should engage your clients. Now, it is left to the independent decision of the government," Justice Joymalya Bagchi, part of a three-judge Bench headed by Chief Justice of India Surya Kant, addressed the lawyers representing the three academics.



Supreme Court says direction against engaging the three academics has been set aside. FILE PHOTO

Author and scholar Michel Danino, educationist Suparna Divakar and legal researcher Alok Prasanna Kumar had approached the top court for deletion of portions in a March 11 order which accused them of distortion to "project a negative image of Indian judiciary before students".

Justice Bagchi said: "The problem was only with the content and not the creators."

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SC asks panel to review cartoons in textbooks

NEW DELHI

The Supreme Court on Friday asked a former apex court judge-led committee to review cartoons published in NCERT textbooks after Solicitor-General Tushar Mehta pointed out that "textbook is not a space where you use cartoons". Mr. Mehta raised an objection about cartoons he happened to come across in "some" NCERT textbooks. » **PAGE 8**

SC recalls some remarks made over textbook row

The court had issued a carte blanche direction to the Union government, States, universities and public institutions receiving government funds to “disassociate” themselves from the three pedagogues.

The educationists submitted that the March 11 order was passed ex parte, without even hearing their side of the story. They said the portions under scrutiny were included in the textbook as a result of a collective decision. The academicians said they were not just “fly-by-night operators”, but distinguished in their respective fields of education. Mr. Danino is a Padma Shri awardee.

Justice Bagchi said the court had felt the portrayal of the judiciary in the textbook lopsided. The role of the judiciary as regards its constitutional supremacy was missed out while corruption was highlighted as a unique feature of the judiciary, the judge pointed out.

Senior advocate Gopal Sankaranarayanan, for Mr. Kumar, said a malicious intent did not drive the contents of the chapter in the textbook.

“Only when we debate issues in our schools may solutions come... We are tending to white-wash our institutions, children need not be subject to that. Let us have it, warts and all,” he submitted.

Mr. Sankaranarayanan said adverse observations like the ones in the March 11 order had a “massive impact”.

Though recalling the “harsh” observations in the order, the court said the government, on its part, was free to take its own decision as to whether or not to associate with the three academicians.

Parents, students challenge CBSE three-language rule in apex court

Krishnadas Rajagopal

NEW DELHI

Parents and students approached the Supreme Court on Friday for an urgent hearing against a Central Board of Secondary Education (CBSE) policy that has made the study of three languages compulsory for Class 9 students from July 1.

Appearing before a Bench headed by Chief Justice of India Surya Kant, senior advocate Mukul Rohatgi, for the petitioners, asked how Class 9 students were to “suddenly start learning a new language” with the Class 10 Board exam looming next year.

Mr. Rohatgi said there

As per the rule, at least 2 of the 3 languages must be native Indian

was clear distress among students who were already saddled with academic load and peer pressure.

The senior advocate sought a hearing on Monday. The CJI said the petition would be listed next week before the appropriate Bench.

The three-language rule was declared in a circular issued by the Board on May 15, which stated that at least two of the three languages must be native Indian languages. It added that the rule was part of the Nation-

al Education Policy 2020 and the National Curriculum Framework for School Education 2023.

The CBSE had clarified that there would be no Board examination for the third language in Class 10.

Internal assessments

“All assessments for R3 (third language) shall be entirely school-based and internal. The performance of students in R3 will be duly reflected in the CBSE certificate,” the Board said.

It said schools could offer any language, but at least two of them must be Indian languages. Foreign languages could be taken only as the third or an optional fourth language.

Smart border project set to make frontiers 'impregnable': Shah

Vijaita Singh

NEW DELHI

Union Home Minister Amit Shah on Friday said the government has decided to not only stop infiltration but also expel each infiltrator, ensuring that there are no unnatural demographic changes in the country.

Mr. Shah said that a Smart Border concept will be unveiled soon, which will make the entire Pakistan and Bangladesh borders "impregnable". The project, equipped with drones, radars, cameras, and other technical resources, will plug the gaps in border security. He said that a demography mission will be announced soon, which will identify the infil-



Amit Shah

tration routes and provide the information to the Border Security Force (BSF).

He said the BSF should be in regular contact with local revenue officials, police and district administration to identify illegal migrants and look at border security as "territorial responsibility".

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'Smart plan will make frontiers impregnable'

"The Government of India has decided to not only stop infiltration but also deport each and every infiltrator. We will not allow unnatural demographic changes. Tripura, West Bengal and Assam now have governments who are convinced that there should be no infiltration. Border personnel should have a dialogue with patwaris, district magistrates to identify the infiltration routes and cow smuggling routes," Mr. Shah said.

He was addressing the Border Security Force Investiture Ceremony and the Rustamji Memorial Lecture, held in the honour of the BSF's founder Director General K.F Rustamji.

"In the coming days, the role of the BSF is going to increase even further. We will have to strengthen the security grid by working together with State police forces, armed forces, other paramilitary forces, Narcotics Control Bureau, and intelligence agencies," the Minister noted.

Centre promised more legislative powers for Ladakh, says delegation

Govt. officials have proposed a new mechanism within the existing Union Territory framework, say representatives from the Leh Apex Body and the Kargil Democratic Alliance, adding that Statehood would be considered after financial growth

Vijaita Singh

NEW DELHI

The Union Home Ministry has proposed a new mechanism to grant Ladakh greater legislative, financial, and administrative powers within the existing Union Territory framework, according to civil society members who attended a sub-committee meeting with Ministry officials on Friday.

The members told *The Hindu* that the talks were positive and that the Home Ministry would soon send a draft mentioning the proposed changes, which they were told would be under the framework of "U.T. with legislative powers".

A civil society delegation comprising representatives of the Leh Apex Body (LAB) and the Kargil Democratic Alliance (KDA) from Ladakh met Ministry officials



Members of Leh Apex Body and Kargil Democratic Alliance after the meeting with Home Ministry officials on Friday. SPECIAL ARRANGEMENT

and Ashish Kundra, Chief Secretary, Ladakh on Friday. The delegation included climate activist Sonam Wangchuk, who was released from detention under the National Security Act on March 14.

Cherring Dorjay Lakruk, co-convenor of LAB, told *The Hindu* that the Ministry was proposing a legislation, it did not want to give

it the name of "Statehood" as the move would put the burden of revenue generation on Ladakh and the Centre would not be able to allocate funds.

"We were told that when Ladakh is financially sound, then Statehood can be considered. Functions of the Chief Secretary and other administrative functions will be decided by the

elected body. It is not clear how the elected members will be referred to... as Members of Legislative Assembly (MLA) or something else. We are waiting for the MHA's proposal. We also have to send a proposal from our side," Mr. Lakruk said.

Safeguards sought

The LAB and the KDA, representing Leh and Kargil districts, respectively, said in a statement that they reached an in-principle understanding with the Union government on providing constitutional safeguards on the lines of Article 371 A, F, and G of the Constitution (as applied to Nagaland, Sikkim and Mizoram). Article 371 deals with "Temporary, Transitional and Special Provisions", and exists in 12 States.

When asked what had changed now, as the Union

government had earlier too proposed such safeguards, Mr. Lakruk said, "Earlier, they did not propose legislative powers or elected representatives for Ladakh."

The KDA and the LAB would work out the finer operational details with the Home Ministry in consultation with legal and constitutional experts, said Sajjad Kargili, co-chairman of the KDA.

Thupstan Chhewang, former chairman of the LAB and former BJP MP, who also attended the meeting, said that the nomenclature of the new constitutional dispensation will be finalised through deliberation.

A senior government official said that Centre was committed to democratic representation and several models, including safeguards available under Article 371, were discussed.

'LOOKING AT YOUTH PRESSURE GROUP'

Founder of Cockroach handle: Threats to my family... nobody should be hounded for opinion

Don't defame this by raising Nepal, Lanka, Bangladesh... our dissent peaceful, within Constitution: Dipke

Anand

Delhi, May 22

I DO not want anything to happen to my family because this is a choice I made, not them": Six days after he launched the satirical platform, Cockroach Janta Party, Abhijeet Dipke told *The Indian Express* that he has been receiving constant threats and is worried about his family in India.

Dipke, 30, is in Boston, where he moved two years ago to pursue a course in public relations. His family lives in Maharashtra's Chhatrapati Sambhajinagar district, formerly known as Aurangabad. "I have been getting constant threats both for myself and my family, which is in India. I just received a video in which a man is saying that they have reached outside my home and that I need to wait until evening to see what

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Abhijeet Dipke

Business as Usual

By EP UNNY



Threats to my family...

happens next," he said.

"Cockroach Janta Party" was launched in response to a remark by Chief Justice of India Surya Kant on those who "attack the system". On May 15, the CJI pulled up a lawyer who had filed a petition seeking directions to the Delhi High Court over the designation of a Senior Advocate, a status he himself was aspiring to. The CJI questioned if

"pursuing" the designation looked "proper". "There are already parasites of society who attack the system, and you want to join hands with them? There are youngsters like cockroaches, who don't get any employment or have any place in (the) profession. Some of them become media, some of them become social media, RTI activists and other activists, and they start attacking everyone," he said.

The remarks triggered an uproar, following which the CJI clarified that it is "totally baseless" to suggest that he criticised the youth. "What I had specifically criticised were those who have entered professions like the Bar (legal profession) with

the aid of fake and bogus degrees. Similar persons have sneaked into the media, social media, and other noble professions as well, and hence, they are like parasites. It is totally baseless to suggest that I criticised the youth of our nation. Not only am I proud of our present and future human resource, but every youth of India inspires me," he said.

Dipke had criticised the CJI's remark and announced a platform for "cockroaches", triggering an online trend. On Thursday, the X account of Cockroach Janta Party was withheld in India. The Indian Express reported that this was done at the direction of the Ministry of Electronics and Information Technology (MeitY) after inputs from the Intelligence Bureau flagging "national security concerns".

Dipke said his family should not face the consequences of his decisions. "Nobody's family should be hounded like this just for expressing their opinions," he said.

Asked about his visa status

and how long he can stay in the US, Dipke said, "I have a full visa. Currently, my visa gives me the option to stay (in the US) until July. I have no tension till July, but I will have to return to India sometime... People will say, 'he is himself sitting in the US. What is he asking us to do?'"

To a question on whether he has a plan, he replied, "I had not made any plans at all since I had not anticipated that something like this would happen at such a level. I am trying to talk to the relevant people so I can have more options."

Dipke said GenZ "are exerting a lot of pressure on me, like, 'don't back off, now you have started something'."

Asked about his plans regarding the "party," and whether he was looking to register it, he said: "I had not thought this far ahead; this had begun as a satire. But let's see what they (the people) say; we are going to take suggestions; we will see how it turns out. But it will be too early to say anything..."

"(It) will mostly be like a political front operating like a pressure group; that is what I have thought for the time being. Going forward, let's see, as we identify more and more people."

Earlier, a senior government official had told *The Indian Express* that the Cockroach Janta Party's X handle was posting "inflammatory" content. "In particular, the concern stemmed from the fact that the account's content was gaining traction among young people," the official said.

Dipke countered this. "There are efforts to defame this by comparing it with what happened (the uprisings) in Nepal, in Sri Lanka and Bangladesh. I am countering it... We have clarified that we are very democratic people and whatever we will do to express our dissent will be within the rights of our Constitution and in a very peaceful manner. Don't even try to compare Indian GenZ with others because the GenZ here is more educated; in fact, more educated than those running the country right now... This will be a political youth front."

Before moving to the US, Dipke had worked with the Aam Aadmi Party (AAP) as a volunteer. He was attached to the office of Delhi's then Deputy Chief Minister Manish Sisodia and handled communications for the AAP leader during the Covid-19 pandemic.

Ladakh DGP Mukesh Singh deputed to Manipur

Express News Service

New Delhi, May 22

THE CENTRE has approved inter-cadre deputation of Ladakh police chief Mukesh Singh to Manipur, according to an official order.

Singh, a 1996-batch IPS officer of AGMUT (Arunachal Pradesh, Goa, Mizoram and Union Territories) cadre, is likely to be appointed as Manipur police chief, officials said.

Earlier this year, Singh was appointed the DGP of Ladakh.



Mukesh Singh is a 1996-batch IPS officer of AGMUT cadre

“The Appointments Committee of the Cabinet has approved the inter-cadre deputation of Singh to Manipur for a period of three years as a special case in public interest,” an order dated May 21 by the Personnel Ministry said.

Singh was earlier posted in ITBP, NIA and J&K Police. He is originally from the Jammu and Kashmir cadre, which was merged with the AGMUT cadre after the abrogation of Article 370 in 2019. Before moving to the ITBP, Singh served as the

Inspector General and later as the ADGP for the Jammu range.

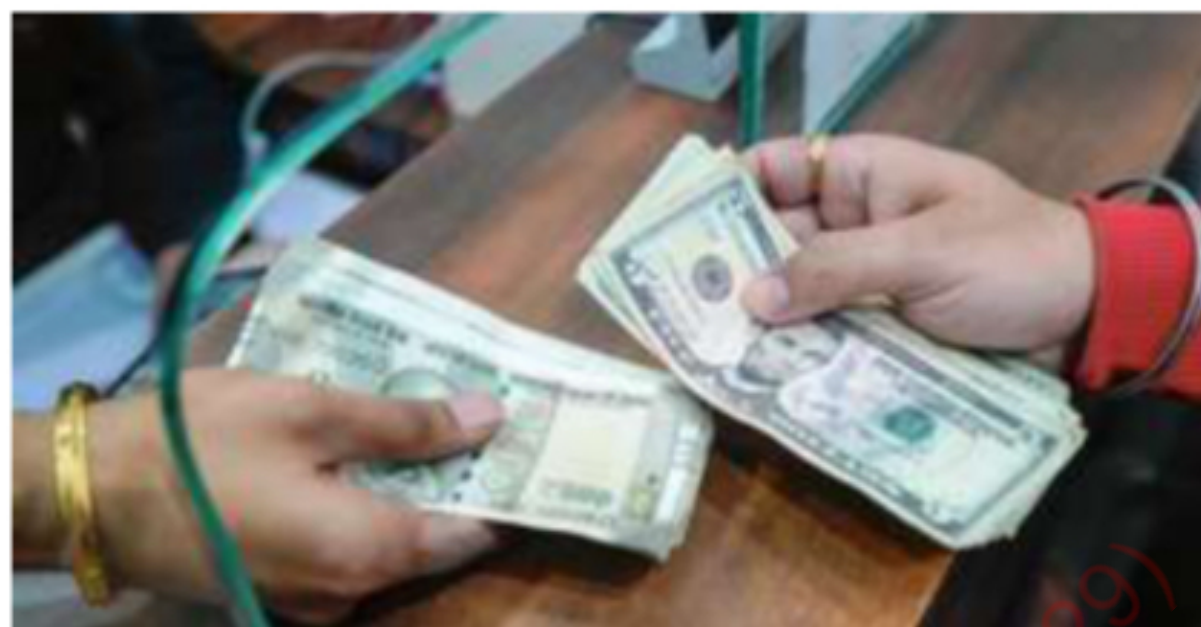
The vacancy was necessitated following the appointment of Manipur DGP Rajiv Singh as Secretary (Security) in the Cabinet Secretariat. The secretary (security) is the administrative head of the Special Protection Group (SPG) that provides security to the Prime Minister and members of his immediate family residing with him at his official residence.

Alarm bells

The Index of Eight Core Industries underscores economic distress

India's economy seems to have begun the financial year 2026-27 on a decidedly tepid note, going by the data released so far for April 2026. The latest of these, the Index of Eight Core Industries (ICI), shows that growth in these key sectors stood at a modest 1.7% in April. It would be easy to attribute this to the ongoing crisis in West Asia, and that is certainly a factor, but the slowdown started well before the war broke out. Growth in the ICI averaged just 2.8% in the entire financial year 2025-26, down from the 4.5% average for 2024-25 and significantly slower than the growth in the previous three years, each of which was above 7%. This suggests a more systemic domestic issue rather than an externally driven transient phase. Of the eight sectors, only three – steel, cement, and electricity – grew at all in April 2026. The rest contracted. The crude oil and natural gas sectors have, in fact, contracted for 16 and 22 consecutive months, respectively. This should be of particular concern. Energy output cannot be ramped up overnight, but falling output for such long stretches should have raised some policy alarm bells even before the current energy crisis began. Separate data from the Ministry of Petroleum and Natural Gas show that domestic consumption of natural gas fell in April. Had India installed long-term gas storage facilities, as it should have, this fall in consumption would have provided a window to fill those reserves. Since such reserves do not exist, LNG imports in April were cut by 30%, likely in a bid to slow the forex outflow. The volume of both oil imports and domestic production fell in April.

This lower fuel consumption could be a result of government curbs on commercial usage. Nevertheless, the implications for growth are severe and are likely to play out over the next few months. Fertilizer output contracted in April after a brief return to growth in March. The only mitigating factor for lower fertilizer output is that demand is likely to be lower this year as farmers grapple with a below-normal monsoon and above-normal El Niño. This is, however, far from comforting. The resultant dip in output and rural demand is a grave prospect for the Indian economy. Steel and cement are the only sectors to have grown consistently, indicating sustained construction activity likely propelled by government expenditure. It remains to be seen how long this push can last amid the fiscal strain brought on by the current crisis. It is also not just the core sector data that is concerning. PMI data is close to four-year lows and GST collections from domestic sales are growing only slightly faster than inflation. The alarm bells are now difficult to ignore.



Rupee rises 76 paise to close at 95.60 against U.S. dollar

The rupee rose for the second consecutive session on Friday to close sharply higher at 95.60 against the U.S. dollar on softening of crude oil prices and supposed intervention by the RBI. Forex traders said markets found some comfort after comments from U.S. Secretary of State Marco Rubio hinted that diplomatic talks linked to the Iran situation were moving in a constructive direction. Moreover, positive domestic equities and a decline in U.S. treasury yields also supported the rupee. At the interbank forex market, the rupee opened at 96.30 against the U.S. dollar and stayed firm during the intraday. At the end of the trading session, the rupee was quoted at 95.60, higher by 76 paise from its previous close. On Thursday, the rupee rebounded 50 paise from its all-time closing low to settle at 96.36 against the U.S. dollar. PTI

March 2026 saw net foreign investments decline to **-\$11.7 bn**

RBI data show net FDI positive for second consecutive month in March; portfolio investors withdrew more in March, April, May, than they put in

T.C.A. Sharad Raghavan
NEW DELHI

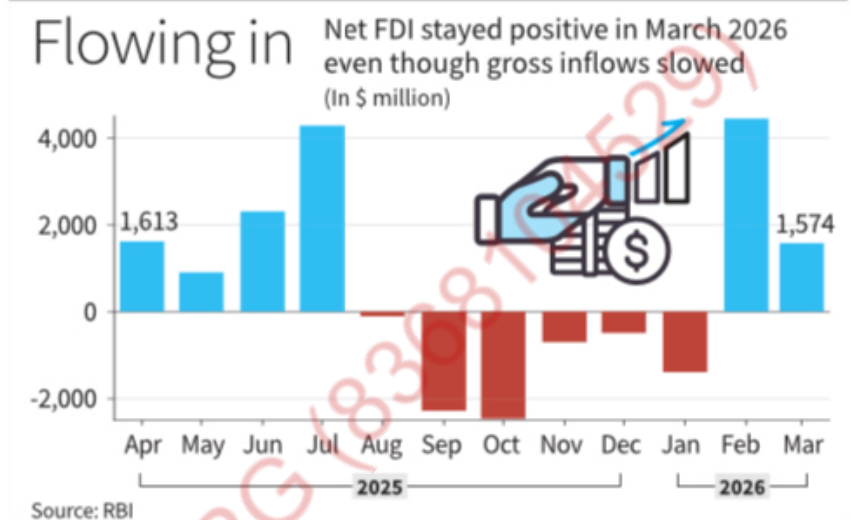
Amidst pressure on the rupee and India's foreign exchange reserves, the latest data from the Reserve Bank of India (RBI) shows that the total amount of money that left the country in March 2026 exceeded inflows by \$11.7 billion. This was the first month after the start of the West Asia crisis.

The overall outflow was driven by the exodus of foreign portfolio investors, which overshadowed the fact that net foreign direct investment (FDI) was positive for the second consecutive month.

That is, while net FDI was \$1.6 billion in March 2026, net foreign portfolio inflows stood at -\$13.3 billion. Typically, direct investment involves money flowing into growth-generating assets, while portfolio investment refers to money flowing into short-to medium-term stock holdings.

According to the RBI, the outflow of portfolio investments continued in April and May.

The outflow of dollars from the country has simultaneously eaten into the RBI's foreign exchange reserves and has led to the depreciation of the rupee.



Over the full financial year 2025-26, net FDI stood at \$7.6 billion, nearly 700% higher than in 2024-25. This occurred despite six out of the twelve months experiencing more direct investment flowing out than in.

"During 2025-26, both gross and net FDI inflows were higher than the previous year," the RBI said in its monthly bulletin for April 2026.

"In March, net FDI remained positive for the second consecutive month, despite a deceleration in gross FDI, on account of relatively low repatriation and outward FDI."

Gross FDI in March 2026, or the total amount of direct investment entering the country that month, stood at \$6.2 billion, nearly 31% lower than in February. However, this figure was 6% higher than in March of last year.

On the other hand, total outflows inched up to \$4.7 billion in March 2026 from \$4.5 billion in the previous month. This figure was 27% lower than in March 2025. Within the outflows, both repatriation by foreign companies operating in India and outward direct investment by Indian firms decreased compared with the previous year.

That is, the quantum of money repatriated and disinvested in March 2026 stood at \$2.3 billion, down 40% over March last year, while outward FDI by Indian companies stood at \$4.7 billion, down by 27%.

The data, however, showed that while net FDI was positive in March 2026, net foreign portfolio investments were significantly negative. That is, foreign portfolio investors (FPIs) took out \$13.3 billion more from the Indian markets than they invested.

BOOST TO GOVT'S FINANCES

Rs 2.86 lakh cr: RBI clears record surplus transfer to Centre

Contingency risk buffer hiked by over Rs 64,000 cr to Rs 109,379 cr

George Mathew
Mumbai, May 22



AT A time when the West Asia conflict and the surge in crude oil prices are weighing heavy on the fisc, the Reserve Bank of India's (RBI) Central Board Friday approved a record surplus transfer of Rs 2,86,588 crore to the Central Government for the accounting year 2025–26, offering a significant boost to the Centre's finances.

The higher dividend could help improve the government's overall fiscal position and provide greater flexibility in policy spending during an increasingly tough year ahead.

The dividend payout is approximately 6.7 per cent, or Rs 17,998 crore, higher than the Rs 2,68,590 crore transferred by the RBI in 2024–25, marking the highest-ever surplus transfer by the central bank. The RBI had paid Rs 2,10,874

Dividend payout 6.7 per cent higher than what RBI transferred to the government in 2024–25. REUTERS FILE

E. EXPLAINED

Sparing some for market intervention

The amount transferred to the government could have crossed Rs 3.5 lakh crore had the RBI limited the contingency risk buffer to last year's level. But transfers to the buffer will help the central bank intervene in the financial market as per evolving macro conditions.

crore in FY2023-24 and Rs 87,416 crore in FY2022-23.

The sharp increase in dividend payouts was supported by the RBI's strong earnings during the year. At the same time, the RBI raised the contingency risk buffer (CRB) to Rs 109,379 crore to create a safeguard in case geopolitical tensions escalate or crude oil prices worsen. A significant contributor to higher surplus was the central bank's large-scale sale of US dollars in the foreign exchange market to support the rupee amid persistent depreciation pressures, leading to substantial trading gains for the RBI.

"The transfer would have been Rs 64,518 crore higher had the RBI limited contingency

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RBI's surplus transfer

risk buffer (CRB) to the last year level of Rs 44,862 crore. Transferring higher amount to the CRB will help in RBI intervening in the financial market as per the evolving domestic and global macroeconomic conditions," said Devendra Kumar Pant, Chief Economist, India Ratings & Research.

The ongoing geopolitical tensions, conflict in West Asia, risks to energy prices, and volatility in bond and currency markets may have led the RBI to favour building a stronger CRB,

analysts said.

In addition, the RBI benefited from higher returns on its foreign currency assets as global interest rates remained elevated across major advanced economies. The increase in yields on overseas securities and investments strengthened the central bank's income position, enabling it to transfer a larger surplus to the government while maintaining adequate risk buffers.

The record transfer is expected to provide the govern-

ment, which has been facing a fiscal strain, with additional fiscal space, helping it to manage expenditure commitments, support infrastructure spending, and contain the fiscal deficit without significantly increasing borrowing.

"Surplus transfer by RBI is 90.8 per cent of budgeted non-tax revenue under 'dividend/surplus of Reserve Bank of India, Nationalised Banks & Financial Institutions' head for FY27 (BE). Higher transfer will reduce some pressure on the fiscal deficit due to the geopolitical situation," Pant said.

The enhanced inflow will provide the government with

greater flexibility to increase infrastructure and capital expenditure, particularly in sectors such as transportation, energy, urban development and public logistics, which are seen as key drivers of long-term economic growth.

The higher dividend payout is expected to ease concerns surrounding the government's borrowing programme by lowering the need for additional market borrowing during the financial year. This could help contain bond yield – 10-year benchmark yield is at 7.09 per cent now -- and reduce upward pressure on interest rates, thereby supporting overall financial stability.

India, Cyprus elevate bilateral ties to strategic partnership; ink pact for defence cooperation

Kallol Bhattacharjee

NEW DELHI

In a sign of India's expanding involvement in the eastern Mediterranean region, Prime Minister Narendra Modi on Friday said that India's ties with Cyprus are based on "respect for sovereignty and territorial integrity".

Welcoming Cypriot President Nikos Christodoulides, Mr. Modi laid out an ambitious canvas for the bilateral relationship, presenting Cyprus as an "investment gateway" to the European Union (EU). Cyprus currently holds the Presidency of the Council of the European Union.

India and Cyprus announced the elevation of their bilateral ties to the level of a "strategic partnership", and also formed a road map for defence cooperation. Cypriot offi-



Prime Minister Narendra Modi with Cypriot President Nikos Christodoulides in New Delhi on Friday. SUSHIL KUMAR VERMA

cial said that Nicosia is interested in buying items from the Indian defence industry. "India-Cyprus relations are strong as well as futuristic. Our relationship is based on democracy and the rule of law. We respect the sovereignty and territorial integrity of all countries. India is totally committed to these principles and will remain so in the

future," the Prime Minister said in a statement, after the two sides held delegation-level talks and sealed multiple agreements at Hyderabad House.

Mr. Modi's reference to "sovereignty and territorial integrity" is being widely interpreted as support to Cyprus as it continues to deal with Northern Cyprus, which Turkey re-

cognises as a separate state.

Bridge to the EU

In his remarks, the visiting President presented Cyprus-India ties as an entry point for India's wider relationship with the EU, with which New Delhi concluded a Free Trade Agreement earlier this year.

Following the talks, senior Cypriot officials said that Cyprus is eager to provide transshipment facilities for the global traffic of commodities and cargo that are affected by the U.S.-Israel war against Iran. To help remedy the current disruption in supply chains, Cyprus has started powering the IMEEC and has formed a 'Friends of IMEEC' grouping within the EU. "We had extensive discussions on IMEEC. We agree that we need to start the building blocks in or-

der for IMEEC to be realised," a Cypriot official said. Direct flights will soon be launched between India and Cyprus, Cypriot officials said.

They also shared an ambitious plan to use the India-Cyprus relationship to energise the IMEEC project that will also restructure the security architecture of the eastern Mediterranean where Turkey is an active player because of its stakes in northern Cyprus.

According to a joint statement issued at the end of the visit, Mr. Modi and Mr. Christodoulides welcomed the signing of an MoU between the Cyprus Defence and Space Industries Cluster and the Society of Indian Defence Manufacturers. The two sides will intensify collaboration in cybersecurity, the maritime domain, and emerging technologies, it said.

India sees relations with China in a bilateral context, but Beijing has never seen it that way

In every sense, India had the potential to become a rival, and it was always China's intention to keep that rival in check, if not cut it down, says Gokhale; in any conflict China has engaged in, both hot wars and grey zone conflicts, they have looked at where it will place them in terms of larger global balance of power, the former Foreign Secretary adds

INTERVIEW

Vijay Gokhale

Santh Krishnan

China's past decisions to go to war were not driven by purely territorial or military objectives, but shaped by deeper political and geopolitical factors, according to the new book *China's Wars: The Politics and Diplomacy behind its Military Coercion*. Author Vijay Gokhale, a former Foreign Secretary and Ambassador to China, explains his research into Chinese decision-making, how China plays "grey zone coercion", and the consequences for relations with India. Excerpts.

One theme that emerges from the conflicts you search in this book is that it's never been one

reason that led China to go to war, but rather a confluence of factors, especially the global context.

What appeared apparent to me after studying all the conflicts that China has waged, is that it was rarely, if ever, driven purely by operational or territorial objectives. Of course, these were important and continue to be so for China, but it was driven much more by political objectives. The second point is that China has always viewed conflict in a wider global geopolitical context rather than in a narrow bilateral one. If you go through the book, you will see that in practically any conflict China has engaged in, both hot wars and grey zone conflicts, they have looked at where that conflict will place them in the context of the larger global balance of power. That is an extremely important



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Former Foreign Secretary and
Ambassador to China

element that I want to flag in my book, because we tend to see India-China relations only in a bilateral context. Beijing has never looked at it that way, and will never look at it that way either.

In 1962, besides the territorial issues and the Tibet question, you emphasise the importance of the global situation for China, which is perhaps somewhat under appreciated.

The more I looked into

why 1962 happened, leaving aside the fact we had a border problem which was getting aggravated with patrolling and counter-patrolling by both sides, which in India we tend to think was the central cause of the conflict, I discovered that this was not necessarily the only cause, or even the most important one.

There were two other important reasons why China went into this conflict with India. Firstly, although the Chinese had never really regarded India as an equal after 1949, they did not dismiss India en-

tirely as a country of no consequence. After all, India and its Prime Minister had a diplomatic stature and international standing. India also had a sizeable economy and had been left with sizeable military power after the British withdrew. Therefore, in every sense, India had the potential to become a rival, and it was always China's intention to keep that rival in check, if not cut it down.

Two major developments happened in 1961 and 1962. First, the Russians began to rebalance and take a more neutral

position vis-à-vis India and China than they had done in 1959 and 1960. The threat China perceived of the Soviet Union going to India's side and abandoning them, diminished. More importantly, under new President John F. Kennedy, the U.S. readjusted its policy on Taiwan. Noting this, the Chinese well understood that both the U.S. and Soviet Union were now less likely to interfere in any military operation China might launch against India. Again, here you see the play of international relations.

Using coercion to push India into a neutral position sounds counter-intuitive. Doesn't it end up having the opposite effect?

Actually, there is no correlation between China using military coercion to keep India neutral, and India actually becoming more neu-

tral in a conflict or situation between China and either the U.S. or Russia. In fact, my book demonstrates that each time they have brought such pressure on us, India has tilted toward the U.S. or the Soviet Union rather than the other way around.

It is true that in more recent times, China is more sophisticated and utilising not just military pressure but economic pressure, trade, investments, and technology, and we are seeing some of that impacting us today. But the Chinese state still firmly believes that force is a key component in getting you to bend to their will. Therefore they continue to deploy that force towards us. It hasn't worked in the past, it is unlikely to work in the future, and I think they ought to recognise this sooner rather than later.

Read the full interview at: readsth.live/vijaygokhale

Dhaka seeks Hasina's return through legal process, says Minister

Press Trust of India

DHAKA/NEW DELHI

Bangladesh's Home Minister Salahuddin Ahmed has said the government wants former Prime Minister Sheikh Hasina to return through "legal procedures", reacting to her recent remarks that she hoped to return home "very soon" despite facing a death sentence.

"We want to get her back through legal procedures," Mr. Ahmed, a senior Minister in Prime Minister Tarique Rahman's Cabinet, told presspersons on Thursday, adding that he was not aware of any legal obstacle to Ms. Hasina's return if she wished to do so.

Ms. Hasina has been living in India since August 2024, after her Awami League government was toppled following a student-led uprising.

The subsequent interim administration led by Muhammad Yunus banned the Awami League through an executive order and initiated proceedings against Ms. Hasina in Bangladesh's reconstituted International Crimes Tribunal.

Ms. Hasina was later sentenced to death in absentia by the tribunal in November 2025 – a trial which was criticised by her supporters.

The BNP government, which came to power in February, endorsed the in-



Sheikh Hasina

terim administration's decision to ban the Awami League.

Home Minister Ahmed's remarks came a day after Prime Minister Rahman's information affairs adviser Zahedur Rahman said no "extra-judicial measures" would be taken against Ms. Hasina if she returned to Bangladesh.

'Surrender to judiciary'
He said the former Prime Minister would, however, have to "surrender to the judiciary" and face the legal proceedings against her. Local media in Dhaka have cited legal experts saying that the deadline for challenging the tribunal verdict has expired.

In recent interviews with some Indian media outlets, Ms. Hasina said she hoped to return to Bangladesh "very soon" with her "head held high", as she criticised the current political leadership in Bangladesh over alleged democratic backsliding and warned of rising anti-India rhetoric in the country.

Qatar team in Tehran to secure Iran-US deal

Reuters

May 22

A QATARI negotiating team arrived in Tehran on Friday in coordination with United States to try to help secure a deal to end the war with Iran and resolve outstanding issues, a source with knowledge of the matter told Reuters on Friday.

Doha, which has worked as a mediator in the Gaza war and other areas of international tension, had till now distanced

itself from playing a mediation role in the Iran war after it came under attack from Iranian missiles and drones during the latest conflict.

"A Qatari negotiation team is in Tehran on Friday," the source said, adding that the team had travelled in coordination with the United States and was there to help "reach a final deal that would end the war and address outstanding issues with Iran." The Qatari Ministry of Foreign Affairs did not immediately re-

spond to a request for comment.

While Pakistan has served as the official mediator since fighting began, Qatar's re-engagement reflects its longstanding role as a US ally in the region and trusted back-channel between Washington and Tehran.

A shaky ceasefire is in place in the war that began with US-Israeli strikes on Iran on February 28, but there has been no major breakthrough, with a U.S. blockade of Iranian ports and Tehran's effective closure of the Strait of

Hormuz complicating negotiations.

Doha's re-engagement comes despite Iran having pounded Qatar with hundreds of missiles and drones, targeting civilian infrastructure and its vital LNG production facility at Ras Laffan.

That attack wiped out roughly 17 percent of Qatar's LNG export capacity. Before the war, about 20% of global LNG trade transited the Strait of Hormuz, primarily from Qatar.

‘Very high’: WHO raises risk of Ebola outbreak in Congo

Reuters

Geneva, May 22

THE WORLD Health Organization has raised the risk of the Bundibugyo strain of Ebola turning into a national outbreak in the Democratic Republic of Congo to “very high”.

The strain, for which there is no approved vaccine or treatment, was declared an emergency of international concern by the WHO on Sunday.

“We are now revising our risk assessment to very high at the national level, high at the regional level, and low at global level,” WHO Chief Tedros Adhanom Ghebreyesus told reporters.

So far, 82 cases have been confirmed in Congo, with seven confirmed deaths, 177 suspected deaths and almost 750 suspected cases. The situation in Uganda is stable, with two cases confirmed in people who travelled from the DRC, one of them fatal, Tedros said.

“The potential of this virus spreading rapidly is high, very high, and that changed the whole dynamic,” said Abdirah-



A woman washes her hands before entering the Bunia General Referral Hospital in Bunia, Congo, on Friday. REUTERS

man Mahamud, WHO Director of Health Emergency Alert & Response Operations.

Measures taken in Uganda, including intense contact tracing and cancellation of a mass gathering, appear to have been effective in stemming the spread of the virus, Tedros said.

A US national who was working in Congo has been confirmed positive and transferred to Germany for care.

“We are also aware of reports today about another American national with a high-risk contact

who has been transferred to the Czech Republic,” Tedros added.

The WHO's chief scientist, Sylvie Briand, said an antiviral treatment called Obeldesivir could be used among Ebola contacts to prevent them developing the disease.

Obeldesivir is an experimental oral COVID antiviral drug from Gilead Sciences.

“This is a promising treatment drug, but it has still to be implemented under a very, very strict protocol,” Briand said.