

# To hike LS strength, Govt works on more clarity, eyes South, DMK support

**Damini Nath**

*New Delhi, June 8*

TWO MONTHS after its first attempt to pass a Constitution amendment to operationalise delimitation and women's reservation was defeated in the Lok Sabha in April, the government now plans to reintroduce it with some changes that clarify that the number of seats of all states in the Lok Sabha with an enhanced strength of 850 seats will

»CONTINUED ON PAGE 2



**EXPLAINED**

## Delimitation and Census

A big concern around delimitation is the year of Census to be used for deciding how Lok Sabha seats will be allocated among states. The Bill is likely to clarify that seats will be proportionate to states' population as in Census 1971.

# LS strength

be in proportion to their existing numbers.

According to at least two senior government functionaries, talks are ongoing with the DMK, which recently lost the Assembly elections in Tamil Nadu. With Lok Sabha MPs of Trinamool also resigning, issue-based support may be forthcoming from both the DMK and the Trinamool Congress, they said. Both had earlier rejected the Constitution amendment Bill.

The government plans to retain the 1971 Census in which the increased number of seats will be allocated among states while increasing the maximum strength of the Lok Sabha from 550 to 850, a senior government functionary and BJP leader told The Indian Express.

A Delimitation Commission, to be set up following the enactment of a separate Delimitation Bill, will decide on how the new Lok Sabha and Assembly constituencies will be redrawn.

For the division of Assembly constituencies within states, the 2011 Census could be the basis, changing from the current basis of 2001 Census, one of the two functionaries said.

As of now, Article 81(3) of the Constitution says the allotment of Lok Sabha seats to states and the division of states into territorial constituencies would be as per population "at the last preceding Census", until the fig-

ures for the first Census taken after 2026 are published.

A senior government functionary argued that if the Constitution amendment is not passed, the delimitation process would get automatically triggered when the ongoing 2027 Census, which has a reference date of March 1, 2027, is completed next year. This would mean that the gap between the Northern states and Southern states in terms of population, and therefore the distribution of seats, would widen.

"This is one good reason for southern states to agree to what is being proposed," the functionary said, referring to Union Home Minister's earlier statement in Lok Sabha that each state's number of Lok Sabha seats would go up by 50% when the Lok Sabha strength goes up from 543 now to 816.

But the southern states had then refused to buy Shah's oral commitment in Lok Sabha on April 17 during the debate on the three bills — Constitution (One Hundred and Thirty-First Amendment) Bill, 2026, The Delimitation Bill, 2026, and Union Territories Laws (Amendment) Bill, 2026. "The delimitation commission will be chaired by a Supreme Court judge who will be appointed by the government... The Home Minister said that a 50% increase in seats will occur... What happens if the delimitation commission doesn't listen to the home minister... Where will we go for justice," DMK MP Kanimozhi Karun-

anidhi asked in Lok Sabha during the debate.

But there is a lot at stake for southern states now, argued the senior BJP leader and government functionary. If the size of the Lok Sabha is not increased, then the southern states would see a reduction in seats, which would be more if the basis is 2027 instead of 2011. In case the Opposition does not agree, the freeze on readjustment of seats that has been there for the past 50 years would expire as soon as the 2027 Census is notified next year, automatically triggering delimitation on the basis of this Census, BJP sources said. This would mean that the Southern states would see a reduction in their seats.

As of now, the Lok Sabha seats are allotted on the basis of the 1971 Census and the Assembly constituencies on the basis of the 2001 Census.

The Constitution (One Hundred and Thirty-First Amendment) Bill, 2026 had sought to amend Article 81(3) to define the population on the basis of which the allotment of seats would be done as "population as ascertained at such census, as Parliament may by law determine". The Opposition had wanted an assurance on which Census would be used for the same, which the Bill had not specified.

Home Minister Amit Shah had said during the debate that "no injustice would be done to any state, particularly to the states of South India". He had

said the proportion of seats allocated to each state as of now would be maintained if the Lok Sabha's strength was increased to 816. He said Karnataka's seats would increase from 28 to 42, with its share of total seats going from 5.15% to 5.14%. Similarly, Tamil Nadu's seats would go from 39 to 59, with the seat share going from 7.18% to 7.23%; Andhra Pradesh's seats would increase from 25 to 38, with its share increasing slightly from 4.60% to 4.65%; Telangana's seats would go from 17 to 26 and its share from 3.13% to 3.18%; and Kerala's seats from 20 to 30 and its share from 3.68% to 3.67%, as per the data given in the Lok Sabha.

After the Bill was negated, Parliamentary Affairs Minister Kiren Rijiju asked the Speaker not to take up the other two Bills that were moved - the Delimitation Bill, 2026 and the Union Territories Laws (Amendment) Bill, 2026 - saying that they were linked to the Constitution amendment Bill. These two Bills are yet to be withdrawn and remain pending in the Lok Sabha.

Government sources say the government has the option of bringing the same Constitution Bill to Parliament in the Monsoon Session or make some amendments, get it cleared by the Cabinet and then introduce it. Even if the Constitution amendment Bill is not passed, the delimitation Bill can be passed with a simple majority, they said.

# Crisis deepens for Mamata as her Lok Sabha team breaks, rebel TMC MPs reach out to BJP

Rebels say 20 of TMC's 28 MPs with them; 14 attend meeting at BJP minister's house

**Manoj C G  
& Ravik Bhattacharya**  
*New Delhi, Kolkata, June 8*

THE CRISIS in the Trinamool Congress (TMC) deepened on Monday, with the rebel camp claiming that at least 20 of the party's 28 Lok Sabha MPs have decided to form a separate bloc and align with the BJP-led NDA.

This is a massive blow to party chief Mamata Banerjee, who has already lost control of

»CONTINUED ON PAGE 2

## Business as Usual

By EP UNNY



Sukhendu Sekhar Ray after resigning from the TMC and the Rajya Sabha, in New Delhi, Monday. ANIL SHARMA

## At INDIA bloc meeting, allies take aim at Cong

**Manoj C G & Asad Rehman**  
*New Delhi, June 8*

THE CONGRESS faced criticism from some of the constituents of the INDIA bloc at the alliance's meeting here on Monday, with leaders such as Samajwadi Party (SP) president Akhilesh Yadav and Rashtriya Janata Dal (RJD) national working president Tejashwi Yadav indulging in some plain speaking. Some of the leaders, including those from the CPI(M) and the NCP (SP),

also took a dig at the Congress for breaking its alliance with the DMK in Tamil Nadu.

After the meeting, Congress president Mallikarjun Kharge, flanked by Leader of Opposition Rahul Gandhi and former West Bengal Chief Minister Mamata Banerjee, announced the decision to write to the Chief Justice of India (CJI) on alleged electoral irregularities and press for the resignation of Union Education Minister Dharmendra Pradhan

»CONTINUED ON PAGE 2

# TMC crisis

the TMC Legislature Party in the West Bengal Assembly. While the rebel group led by Kakoli Ghosh Dastidar claimed the support of as many as 20 MPs, at least 14 of them attended a meeting at Union Minister Bhupender Yadav's home along with Chief Minister Suwendu Adhikari. Those close to Mamata Banerjee put the number of rebels at 12. Later in the day, eight rebel MPs met at the residence of Satabdi Roy in the presence of Adhikari.

The rebel camp claimed that the Lok Sabha MPs who attended the meeting at Yadav's home are Ghosh Dastidar, Roy, Bapi Haldar, Arup Chakraborty, June Maliah, Deepak Adhikari (Dev), Kalipada Saren, Jagadish Basunia, Asit Mal, Md Abu Taher Khan, Khalilur Rahaman, Sharmila Sarkar, Prasun Banerjee, and Partha Bhowmick. The dissidents claimed the support of six more MPs. To escape the provisions of the anti-defection law, they need the support of at least 19 MPs.

The TMC witnessed a flurry

of developments in Delhi through the day. While Mamata Banerjee and TMC's second-in-command Abhishhek, her nephew and the TMC's leader in the Lok Sabha, attended a meeting of the Opposition INDIA bloc, the rebels moved ahead to split the Lok Sabha wing. The first blow came in the morning when Rajya Sabha MP Sukhendu Sekhar Ray resigned from the primary membership of the party and as a member of the Upper House. There is a likelihood of one more Rajya Sabha MP resigning, sources said.

His resignation from the Upper House has been accepted by Chairman C P Radhakrishnan. Asked why he had resigned, Ray told *The Indian Express*, "Because of the situation that was prevailing in the party for a long time." He refused to provide a definitive answer on whether he would join another party, saying, "I have spent 59 years in politics. So I have to take a call at the appropriate time after introspection and retrospection."

The dissident Lok Sabha MPs and Ray then met at a hotel before proceeding to the house of Bhupender Yadav, who was the BJP's West Bengal election

in-charge. Soon afterwards, Adhikari too arrived at Yadav's Motilal Nehru Marg residence.

Ghosh Dastidar, the Barasat MP, claimed that 20 TMC MPs, including her, had written to Lok Sabha Speaker Om Birla, requesting him for "separate seating". This bloc of TMC MPs would "formally support the NDA" and work with the Central and state government for West Bengal's development, she said. Sources in the Speaker's office, however, said they had not yet received any letter from the MPs.

Sources said Ghosh Dastidar signed the letter as the party's chief whip. The rebels said that though Kalyan Banerjee had replaced the Barasat MP as the chief whip on Mamata Banerjee's directions last month, the change was not completed through the required parliamentary procedure. This has allowed Ghosh Dastidar to claim the post of chief whip.

Bardhaman Purba MP Sharmila Sarkar also claimed that the rebels had submitted the letter. "We held a meeting. We want to sit separately. I respect Didi (Mamata). I wanted to work, but I could not. Under the leadership of Kakoli di, this sep-

arate bloc has been formed," she said.

"We are 20 MPs. We held a meeting at Bhupender Yadav's residence in the presence of CM Suwendu Adhikari. We need to support the NDA for Bengal's development. Kakoli di submitted the letter. So far, she is leading our bloc," Sarkar said.

Those close to Mamata Banerjee said the dissidents do not have the support of two-thirds of the MPs. "The fake and fabricated narrative of the dirty tricks department of BJP is giving numbers of 20 MPs. There were 13 MPs — 12 from Lok Sabha and one from Rajya Sabha — who attended the meeting at Bhupender Yadav's house. No one else has signed on the dotted line apart from these," TMC's Bardhaman-Durgapur MP Kirti Azad said in a social media post.

Azad also disputed Ghosh Dastidar's claim to the chief whip's post, sharing a copy of the letter Mamata Banerjee sent to Speaker Birla on May 20 — in her capacity as chairperson of the TMC Parliamentary Party — informing him about the decision to appoint Kalyan Banerjee as the chief whip.

# Crisis deepens for Mamata as her Lok Sabha team breaks, rebel TMC MPs reach out to BJP

Rebels say 20 of TMC's 28 MPs with them; 14 attend meeting at BJP minister's house

**Manoj C G  
& Ravik Bhattacharya**  
*New Delhi, Kolkata, June 8*

THE CRISIS in the Trinamool Congress (TMC) deepened on Monday, with the rebel camp claiming that at least 20 of the party's 28 Lok Sabha MPs have decided to form a separate bloc and align with the BJP-led NDA.

This is a massive blow to party chief Mamata Banerjee, who has already lost control of

»CONTINUED ON PAGE 2

## Business as Usual

By EP UNNY



Sukhendu Sekhar Ray after resigning from the TMC and the Rajya Sabha, in New Delhi, Monday. ANIL SHARMA

## At INDIA bloc meeting, allies take aim at Cong

**Manoj C G & Asad Rehman**  
*New Delhi, June 8*

THE CONGRESS faced criticism from some of the constituents of the INDIA bloc at the alliance's meeting here on Monday, with leaders such as Samajwadi Party (SP) president Akhilesh Yadav and Rashtriya Janata Dal (RJD) national working president Tejashwi Yadav indulging in some plain speaking. Some of the leaders, including those from the CPI(M) and the NCP (SP),

also took a dig at the Congress for breaking its alliance with the DMK in Tamil Nadu.

After the meeting, Congress president Mallikarjun Kharge, flanked by Leader of Opposition Rahul Gandhi and former West Bengal Chief Minister Mamata Banerjee, announced the decision to write to the Chief Justice of India (CJI) on alleged electoral irregularities and press for the resignation of Union Education Minister Dharmendra Pradhan

»CONTINUED ON PAGE 2

# Opp meet

over paper leaks and exam glitches.

Kharge also demanded that the Centre immediately convene an all-party meeting to discuss the economic situation in the country, unemployment, price rise, and issues related to farmers. The Congress chief said the INDIA bloc parties had agreed to meet every two months and the next meeting would be held in Hyderabad in August. The bloc members would also coordinate their actions during the Monsoon Session, with daily morning meetings in Kharge's office.

Sources said that in the meeting, Akhilesh Yadav bluntly told the Congress leadership — represented at the meeting by Kharge, Rahul, and Sonia Gandhi — that the party should show a “large heart” and be “accommodative”. The SP president pointed out that the alliance itself was meeting after a long gap and during this time the political situation had become much more

“vitiated”. He said the alliance should introspect whether it was acting the way it should.

Akhilesh was critical of the Congress for breaking the alliance with the DMK, a point endorsed by NCP (SP)'s Supriya Sule and CPI(M)'s John Brittas. The DMK did not attend the meeting.

The SP chief said the Congress's state units were perhaps not being able to gauge the seriousness of the situation. Tejashwi Yadav endorsed this and, at one point, said the Congress's state leadership in Bihar was “compromised”.

Referring to the ED raids at the residence of former Kerala CM Pinarayi Vijayan, Akhilesh said INDIA bloc members should stand with each other when central agencies target any of them.

Mamata Banerjee spoke about “political atrocities” before, during, and after the Assembly elections in West Bengal. She appealed to the bloc's leaders to stand united and let the Congress take the lead in coordination. She said the Opposition alliance needs to encourage civil

society movements and not criticise each other.

Alleging that the West Bengal election was “stolen”, Banerjee called for a delegation of the alliance to meet the Election Commission, but the proposal did not find much traction. In the end, it was decided that the bloc would write to the CJI.

Shiv Sena (UBT) president Uddhav Thackeray, who joined the meeting virtually, suggested the alliance project a leader as its face. He argued that the alliance should introspect why an online phenomenon such as the Cockroach Janta Party (CJP) had managed to get traction unlike the Opposition. “Have people lost faith in us?” he is learnt to have asked.

Brittas conveyed his party's displeasure to Congress about attacks on Vijayan by its national leaders, including Rahul Gandhi, during the recent Assembly elections. Brittas too flagged the Congress breaking its alliance with DMK, saying driving out the party from the INDIA bloc was not “a good omen”.

CPI-ML (Liberation) general secretary Dipankar Bhatta-

charya said that a joint coordination team should work on capturing the space against the BJP on “people's issues”. He also said the alliance should extend solidarity to people's movements such as the CJP.

Rahul Gandhi said he accepted all the criticism with a smile and assured the leaders that his role was to unite all of them with “love and affection”. He asked the parties to remain united to fight BJP and stop pulling each other down. He said some parties often criticise the Congress, which should be avoided. He reiterated his long-held view that elections in the country are stolen. “It is clear that Congress and INDIA are on one side and on the other side it is BJP-RSS. We will have love and affection to unite these parties,” he said.

Gandhi said he had no personal enmity with Vijayan and that speeches during campaigning are crafted after incorporating inputs from the state leadership. He played down his attacks on Vijayan, saying it was done during campaigning and should not be taken personally.

# INDIA bloc to take SIR complaints to CJI; seeks Pradhan's immediate exit

**Sobhana K. Nair**

NEW DELHI

The Indian National Developmental, Inclusive Alliance (INDIA) decided to write to the Chief Justice of India, flagging concerns over the special intensive revision (SIR) and the alleged “vote loot” at a meeting held here on Monday.

The bloc also demanded the immediate resignation of Union Education Minister Dharmendra Pradhan, stating that he had “presided over the betrayal of lakhs of youth who appeared for NEET and CBSE exams”. It further called on the Centre to convene an all-party meeting on the “current critical economic situation”.

Congress president Mal-



Leaders of INDIA bloc parties addressing a press conference after meeting in New Delhi on Monday. SHASHI SHEKHAR KASHYAP

likarjun Kharge opened the meeting by underlining the Opposition's united pushback against the now-aborted delimitation legislation. “We demonstrated our unity very decisively in the Lok Sabha when we united to defeat the Modi government's mischievous Bills on delimitation,” he said, adding that the alliance must build on that

coordination. Former West Bengal Chief Minister Mamata Banerjee, fresh from her party's defeat in the Assembly polls, detailed her allegations that the mandate had been stolen.

The Congress, which Jammu and Kashmir Chief Minister Omar Abdullah described as the “glue” holding the bloc together, came under criticism for

unceremoniously parting ways with the DMK after the Tamil Nadu polls. The Left parties questioned the Congress's aggressive campaign against the Left government in Kerala, particularly with allegations that it was colluding with the BJP. Several leaders also referred to the recent protest under the banner of the Cockroach Janta Party, asking whether it also reflected a growing disillusionment with the Opposition.

According to sources, the DMK will also be brought on board to sign the joint letter to the Chief Justice of India.

**CONTINUED ON**

» **PAGE 12**

**EDITORIAL**

» **PAGE 8**

# **INDIA bloc to take SIR complaints to CJI**

Samajwadi Party president Akhilesh Yadav cautioned that after the setbacks in West Bengal and Tamil Nadu, defeating the BJP in the Uttar Pradesh Assembly election early next year would be crucial.

While acknowledging the Congress's pan-India presence, he urged it to be "large-hearted" and allow dominant regional parties to take the lead wherever appropriate.

According to sources, he also flagged the earlier exit of Janata Dal (United) leader Nitish Kumar, suggesting that the outcome of the 2024 general election might have differed had he stayed.

RJD leader Tejashwi Yadav echoed the criticism, saying that despite warnings about possible cross-voting by Congress MLAs in the recent Rajya Sabha election in Bihar, no action had been taken.

CPI(M) leader John Brittas said Rahul Gandhi, as the face of the INDIA bloc, should have refrained from making unsubstantiated allegations against the Kerala government during the Assembly campaign.

# Govt. cuts subsidised LPG cylinders under Ujjwala to 4 from 9

PMUY beneficiaries use about 'four or five cylinders a year', Petroleum Ministry says; around 10.55 crore LPG connections given under scheme

**Saptaparno Ghosh**

NEW DELHI

**A**mid prevailing pressure on supplies of liquefied petroleum gas (LPG) globally against the backdrop of the West Asia conflict, the Centre has reduced the number of subsidised refills available under the Pradhan Mantri Ujjwala Yojana (PMUY) from nine to four cylinders a year.

Officials in the Petroleum Ministry, however, did not inform when the direction was formally instituted.

Under the scheme, the government provides a targeted subsidy of ₹300 a cylinder for up to nine refills in a year.

In the second increase since the onset of the conflict in West Asia, prices of domestic LPG cylinders were raised by ₹29 on Sunday, taking the cumulative increase to ₹89 across the two revisions.

At present, a 14.2-kg domestic cylinder costs ₹942 in Delhi. With the additional ₹300 subsidy under the Central scheme,



**Steep hike:** Prices of domestic LPG cylinders were raised by ₹29 on Sunday. SUSHIL KUMAR VERMA

beneficiaries pay ₹642 per cylinder.

## 'Indirect subsidy'

Responding to concerns over the reduction in subsidised refills, Additional Secretary in the Union Petroleum Ministry Praveen Khanooja stated, "Whether I am PMUY or a non-PMUY consumer, I am getting a cylinder, which should have cost ₹1,600 [adhering to international pricing dynamics], at ₹942 - which is also an indirect subsidy," adding, "Over and above that, PMUY consumers get ₹300 more,

therefore, they are getting ₹1,000 [subsidy on every cylinder]." He further said the average consumption among PMUY beneficiaries is "about four to five cylinders in a year".

The government said the effective price of a PMUY cylinder at ₹642 is being offered at a discount of 60% to the current international LPG prices, while a non-PMUY cylinder priced at ₹942 is available at a discount of 45%.

The PMUY scheme has provided around 10.55 crore LPG connections as of May 26 this year.

# LG in favour of ex-Agniveers filling vacant posts at Delhi Fire Services

Express News Service  
New Delhi, June 8

LIEUTENANT GOVERNOR Taranjit Singh Sandhu on Monday suggested that former Agniveers — Army personnel retired after four years of service — could be inducted to meet the manpower shortage faced by the Delhi Fire Service (DFS) and increase the number of fire stations across the city to improve emergency response time.

The directions were given at a high-level meeting of the Delhi Disaster Management Authority (DDMA) chaired by the LG. The meeting was attended by Chief Minister Rekha Gupta and her ministers, Ashish Sood and Parvish Sahib Singh.

The meeting — which comes days after a blaze at a B&B in Malviya Nagar claimed 22 lives and a building collapse near Saket Metro station killed six — undertook a comprehensive review of ongoing anti-encroachment drive against illegal buildings, misuse of licences related to fire safety and future disaster preparedness.

As per Central government directions, 10% of vacant posts in the CISF, BSF and RPF are to be filled with ex-Agniveers. "In DFS, recruitment is done through both UPSC and at state government level. When the recruitment process will start, 10% of the vacancy will be filled with ex-Agniveers, especially the posts of firemen," a senior Delhi government official said.

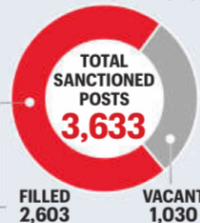
According to official data, while the DFS has 3,633 sanctioned posts, 1,030 of them are vacant. (See box)

"While some posts were filled a few years ago, major requirements were last under-

## STAFF CRUNCH AT DELHI FIRE SERVICES

The highest number of posts vacant is in the Operations team, which coordinates all aspects of fire-fighting during an incident

### DELHI FIRE SERVICES



### OPERATIONS TEAM



**THE REST:** Remaining vacancies are in administration department — stenographers, accountants, Safai Karamcharis, data entry operators, Multi-Tasking Staff



taken 15 years ago. The highest number of posts vacant is in the Operations team, which is a key part of the Fire department. They coordinate everything — from receiving calls, informing concerned teams and sending fire tenders and fire-fighters on ground... The huge gap in manpower is a major problem the DFS has been facing for years now," said an official.

Another official said that

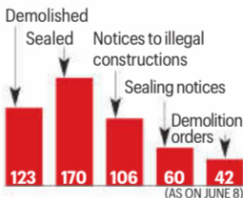
the department is managing with contractual staff. As on date, there are 412 contractual employees, of which 318 are fire operators. "Direct recruitment for the post of station officers took place in 2011-12 through UPSC. At present, of the 90 sanctioned posts, only 18 are filled... Also, all five sanctioned posts of Chief Fire Officer are lying vacant," said the official.

According to Home depart-

### THE POSTS

	Approved	Vacant
CHIEF FIRE OFFICER	5	5
STATION OFFICER	90	72
LEADING FIREMAN	422	247
FIREMAN	2,367	320

### ANTI-ENCROACHMENT DRIVE SINCE JUNE 1



### SHOW-CAUSE NOTICES ISSUED ON JUNE 8

Hotels/guesthouses	39
B&B	5
Banquets	3
Institutes/pre-schools	15

**WHAT ARE THE VIOLATIONS:**  
NO FIRE NOC, EMERGENCY EXIT AND FIRE EQUIPMENT, AMONG OTHER REASONS

ment officials, there are 71 fire stations in the Capital.

The LG, meanwhile, pulled up the Fire department for not issuing even a single show cause notice until now in relation to structures not having fire NOC (no objection certificate) and fire-fighting equipment, among others.

Expressing displeasure, he directed the Principal Director (DFS) to immediately take

necessary action and inform the offices of the LG, the CM and the Home Minister about what action has been taken.

"Both LG and CM pointed out that complaints are being received alleging that officials were harassing even valid structures... Directions are being misused to raid premises that have nothing to do with fire safety. Both expressed grave displeasure at this and the LG warned the officials," said an official present in the meeting.

Sandhu further insisted that ongoing anti-encroachment drives against illegal buildings and license misuse must be handled carefully, ensuring ordinary people are not harassed. "At the same time, he said, blatant and brazen non-compliant illegal construction and unauthorised plotting of land should be stopped forthwith," said an official.

Directing district-level committees constituted to crack down illegal structures to submit reports timely, Sandhu warned that any negligence, lack of diligence, or failure to perform will directly impact an officer's Annual Confidential Report grading, officials said.

Further, the meeting accepted the suggestion of Sood to enforce Section 32 of the Delhi Fire Services Act, 2007, which provides for applying fire prevention and fire safety measures to all multi-story buildings in the Capital, irrespective of whether they require a fire safety certificate or not, as per the provisions of the Act, the LG office said in a statement. Currently, high-rises of 15 m and above require a fire safety NOC from the DFS.

# Israel, Iran trade strikes, warn each other against escalation

**Associated Press**

DUBAI

Israel and Iran traded fire on Monday in their first attacks since the U.S. struck a ceasefire with the Islamic Republic in April.

The Iranian military said hours later that it was halting offensive operations as the renewed hostilities threatened to drag West Asia back into a full-scale war, and warned that further “aggression and hostile acts” by Israel and its supporters, including in southern Lebanon, would be met with “much more severe and crushing measures than before”.

Israeli Defence Minister Israel Katz said on Monday night that the military will

**Will respond to further hostile acts, says Iran; Israel talks of using great force against retaliation**

continue to operate against Hezbollah in Lebanon, warning that any Iranian strikes in retaliation for Israeli attacks on Hezbollah, the Tehran-backed militant group in Lebanon, would be “met with great force”.

Iranian state media reported at least 15 people were wounded after explosions sounded in Tehran and other cities.

**Fresh advisory**

Following the renewed exchange of fire, India on

Monday urged its citizens to avoid all unnecessary travel to Israel and Iran, and asked its nationals in these countries to exercise utmost caution and stay vigilant.

While the Embassy of India in Iran advised Indians to exit the country by available means of transport, Indian nationals in Israel have been asked by the Embassy in Tel Aviv to “remain in proximity to designated shelters” and “to familiarise themselves with the nearest protected spaces in their area of residence or work.”

**CONTINUED ON**

» **PAGE 12**

**HOUTHIS BAN ISRAELI SHIPS**

» **PAGE 16**

---

# Israel, Iran warn each other against escalation

Earlier, U.S. President Donald Trump demanded that Israel and Iran “immediately stop ‘shooting’”. The flurry of attacks drove oil prices up around 4% and threatened to wreck efforts towards a deal to end the war.

The semi-official Fars and Mehr news agencies said Israeli strikes hit a petrochemical factory in the city of Mahshahr. The Israeli military confirmed the strike on the plant, saying it targeted sites that produce materials for ballistic missiles. Israel said it also targeted truck-based missile launchers.

Israel said its strikes were in response to an Iranian missile attack. Tehran had warned on Sunday that it would retaliate after Israel struck Beirut’s southern suburbs without warning.

---

# Strategic afterthought

The government must be transparent  
with the Nicobar project

**F**or a project so often invoked as a matter of national security strategy, the ballooning Great Nicobar Island development, now estimated to be at ₹91,000 crore, rests on a remarkably thin strategic record. The Centre has long cited the “strategic” character of its centre-piece – a transshipment port at Galathea Bay – to withhold information on its environmental clearances. Yet, the Public Investment Board (PIB), a Finance Ministry body, found in August 2024 that the port “lacked strategic objectives”. That label arrived only afterwards, from the Ministry of Defence and seems less like a founding rationale and more of an afterthought, retrofitted to a balance sheet. Both the PIB and the Public-Private Partnership Appraisal Committee (PPPAC) cleared the proposal, yet the PPPAC refused ₹12,230 crore in Viability Gap Funding, telling the Ports Ministry to find the money within its own budget – an unusual rebuke for a venture sold as nationally vital. If the port cannot stand on commercial returns, and if its real purpose is military, the case for a commercial transshipment hub dissolves.

Great Nicobar sits at the southern tip of the Andaman and Nicobar archipelago, wrapped in tropical rainforest and ringed by reefs of rare ecological value. The project – port, international airport, power plant and township – would clear vast tracts of that forest, much of it primary, and disturb the nesting beaches of the leatherback turtle and the habitat of the endemic Nicobar megapode. Scientists who have studied the island warn that the loss would be irreversible, and that no afforestation elsewhere can replace what is felled here. The island’s indigenous inhabitants have objections of their own, running alongside the ecological ones but not reducible to them. Tribal councils have said that consent was secured without full disclosure, and asked that ancestral land and the resettlement promised after the 2004 tsunami not be overridden by the project. Their criticism is not a refusal of all development. The quarrel is with scale, secrecy and sequence – a project conceived at a magnitude the island cannot absorb. The remedy is transparency. The Centre should release the High-Powered Committee report in full, account openly for the true cost to the public exchequer, and weigh it against an environmental loss that the exchequer can never reimburse. A project of this scale owes the country at least that much.

# Houthis claim missile attack, declare 'total ban' on Israeli ships in Red Sea

Yemen-based Iran-aligned group launches air attack on Israel, says Israel-affiliated ships would again become a target in the Red Sea; the escalation comes as the Strait of Hormuz remains blockaded by Iran due to the war in West Asia with the U.S.

**Agence France-Presse**  
SANAA

**I**ran-aligned Houthi rebels in Yemen announced a missile attack on Israel on Monday and declared a ban on Israeli shipping in the Red Sea, raising the spectre of a return to major disruption on the key route.

The Houthis' attack came as Israel and Iran traded fire on Monday, putting the ceasefire under renewed strain and threatening hopes for a peace deal.

The Houthis made a similar threat and targeted cargo ships in the vital sea-way during the Israel-Hamas war, forcing many companies into a lengthy detour around the tip of



**War fallout:** Two men examine a rocket half-buried in the ground near the West Bank city of Jericho on Monday. AFP

southern Africa. The assaults upended shipping in the Red Sea, through which about \$1 trillion of goods passed each year before the war.

Their threat comes as the Strait of Hormuz, the gateway to the Gulf sea and

its energy exporters, remains blockaded by Iran as a result of the war in West Asia with the U.S. and Israel.

**'Legitimate targets'**  
"We declare a complete and total ban on Israeli

maritime navigation in the Red Sea," said a statement from the Houthis' armed forces. "We consider all enemy movements to be legitimate military targets for our armed forces from the moment this statement is issued."

The statement from Brigadier General Yahya Saree was broadcast on the Houthis' al-Masirah satellite news channel.

The Houthis, who joined the war in support of Iran in March, had not announced a missile attack on Israel since a fragile ceasefire began on April 8.

The Houthis have fired missiles at Israel during the Israel-Hamas war and later, but haven't been fully involved in the Iran war.

They said they "launched a missile barrage targeting sensitive Israeli enemy targets", claiming the strikes "achieved their objectives with precision".

The Israeli military earlier wrote on Telegram that it "has identified the launch of a missile from Yemen toward Israeli territory, aerial defence systems are operating to intercept the threat".

An Israeli military official said two missiles were fired by the Houthis since Sunday evening.

The Houthis and Lebanon-based Hezbollah form part of the "Axis of Resistance" grouping of pro-Iran forces opposed to Israel and the United States.

**NEPAL**

# House adjourned in minutes as PM Shah refuses to show up



Prime Minister Balen Shah at a press meet in Kathmandu. FILE

NEPAL'S HOUSE of Representatives was adjourned for the day within minutes of the session beginning after Prime Minister Balen Shah chose not to show up, despite opposition demands that he clarify his statement last Sunday on the Nepal-India border issue, in which he suggested external mediation. Adding to the government's troubles was the Finance Ministry's official website, which showed tax rates at variance with those announced in the budget presented by Finance Minister Swarnim Wagle last week.

**YUBARAJ GHIMIRE**

## UNITED KINGDOM

# Starmer set to ban social media for the under-16

BRITISH PRIME Minister Keir Starmer is set to announce a ban on “harmful” online platforms for children under 16 while maintaining access to some safer forms of social media, the *Times* newspaper reported Monday. Starmer is said to have decided to proceed with restrictions after speaking to bereaved parents. REUTERS

DOWN FROM \$13.7 BILLION A YEAR AGO

# India's current account surplus narrows to \$7.1 billion in Q4

ENS Economic Bureau

Mumbai, June 8

INDIA'S CURRENT account surplus narrowed sharply to \$7.1 billion, or 0.7% of GDP, in the fourth quarter ended March 2026, as a rising gold import bill and foreign investor outflows weighed on external balances, according to data released by the Reserve Bank of India (RBI) on Monday.

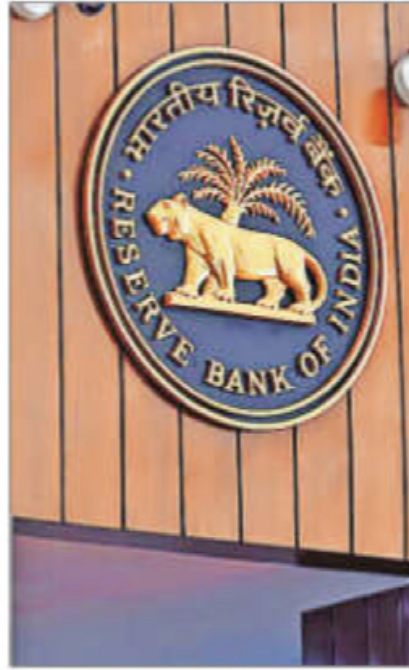
This marks a notable decline from the surplus of \$13.7 billion, or 1.4% of GDP, recorded during the corresponding quarter of the previous financial year.

The moderation in the current account surplus reflects changing dynamics in India's external sector, with factors such as trade flows, services exports, remittances and investment income influencing the overall balance.

Despite remaining in surplus territory, the lower figure indicates a reduced contribution from external earnings compared to the year-ago period. FII outflows increased to \$12 billion in March 2026 quarter as against outflows of \$5.9 billion in the same period a year ago.

Gold import bill for the March 2026 quarter was \$22.57 billion and full year at \$71.97 billion as against \$9.5 billion and \$58 billion respectively in the previous year, RBI data says.

The RBI's latest data highlights the evolving balance of



Net services receipts rose to \$60.4 bn from \$53.3 bn a year ago, said RBI. REUTERS

payments position amid global economic uncertainties, especially the West Asia crisis which started in late February, and shifting trade patterns, while underscoring the resilience of India's external sector.

However, in full year of 2025-26, India's current account deficit widened slightly to \$25.2 billion, equivalent to 0.6% of GDP, compared with \$22.9 billion (0.6% of GDP) in 2024-25.

Net invisibles receipts increased significantly to \$312.0 billion from \$264.0 billion in the previous year, driven mainly by higher net services earnings and stronger net personal transfer inflows, the cen-

tral bank said.

Merchandise trade deficit at \$83.4 billion in Q4 of 2025-26 was higher than \$59.3 billion a year ago. Net services receipts increased to \$60.4 billion from \$53.3 billion a year ago, according to the RBI.

Services exports have risen on a year-on-year basis in major categories such as computer services and other business services. Net outgo on the primary income account, mainly reflecting payments of investment income, decreased to \$11.1 billion in Q4 of 2025-26 from \$11.9 billion in Q4 of last year, the RBI said.

Personal transfer receipts under secondary income account, mainly representing remittances by Indians employed overseas, rose to \$43.5 billion in the latest quarter from \$33.9 billion in Q4 of last year.

In the financial account, foreign direct investment (FDI) recorded a net inflow of \$4.2 billion, higher than \$0.4 billion in March quarter of 2025.

Non-resident deposits (NRI deposits) recorded a net inflow of \$3.3 billion in the quarter higher than \$2.8 billion in Q4 of 2024-25.

Net inflows under external commercial borrowings (ECBs) to India amounted to \$3.6 billion in Q4 as compared to \$7.5 billion a year ago, the RBI said. Forex reserves increased by \$7.2 billion (on a BoP basis) in Q4 of 2025-26 as compared to an accretion of \$8.8 billion a year ago.

# Fifteen FTAs, 27 countries, four challenges

**W**ITH THE India-Oman agreement taking effect on June 1, India now has 15 FTAs covering 27 countries. Another nine agreements with 42 countries are nearing completion. Once finalised, India's FTA partners will total 69 countries and could account for nearly 75 per cent of the country's exports.

As India expands its network of FTAs, four recurring challenges demand attention: Rising trade deficits, low utilisation of FTA benefits by Indian exporters, worsening inverted duty structures, and the relocation of manufacturing to FTA partner countries.

Let's examine how these challenges are shaping India's trade patterns, industrial competitiveness, and economic outcomes.

First, a rising trade deficit. Between 2007-09 (before the FTAs took effect) and 202-25, India's trade deficit with ASEAN grew by 381 per cent, that with Japan by 318 per cent and that with South Korea by 268 per cent. In comparison, its trade deficit with the rest of the world increased by 142 per cent. Over the past three years, India's average annual trade deficit with ASEAN, Japan and South Korea has reached about \$62 billion.

The newer FTAs are also associated with large trade deficits. In FY2025, India exported \$48.6 billion to the UAE, Australia, Mauritius and EFTA countries, but imported nearly \$100 billion, resulting in a trade deficit of over \$50 billion. As tariff cuts under these agreements deepen, the deficit may increase further. South Asia remains the major exception, where India's trade surplus expanded from \$6.7 billion to \$20 billion during the same period.

The difference between India's tariff structure and those of its FTA partners helps explain why imports often grow faster than exports after FTAs. Most of its FTA partners are already open economies with low tariffs. Average MFN tariffs are close to zero in Sin-

gapore and below 4 per cent in Japan, Australia, Malaysia and the UAE. In contrast, India's trade-weighted MFN tariff is about 12.6 per cent, with rates ranging from zero to 150 per cent. As a result, when India cuts tariffs under an FTA, exporters from partner countries gain a significant price advantage in the Indian market. A 50 per cent tariff reduction, for example, can translate into a major cost advantage over competing suppliers. Indian exporters, however, often gain little additional market access because tariffs in partner countries were already low or zero before the agreement.

The difference becomes even clearer when actual trade flows are examined. Almost all imports into Singapore enter duty-free under MFN rules, while more than 80 per cent do so in Japan and Malaysia. In the EU and the UK, more than half of imports face zero customs duty. In India, however, only about 6 per cent of imports enter duty-free under MFN treatment. As a result, FTAs often give foreign exporters a much bigger advantage in the Indian market than Indian exporters receive abroad.

Second, low utilisation of FTA benefits. The same tariff asymmetry also helps explain why Indian exporters make limited use of FTAs. When MFN tariffs in partner countries are already zero, there is little benefit in exporting under an FTA. Even where MFN tariffs are low — say 1 to 3 per cent — the savings are often too small to justify the costs of complying with rules of origin, certification requirements, and paperwork. As a result, only an estimated 20-30 per cent of India's eligible export take advantage of FTA preferences. Many small firms prefer to avoid the compliance burden for modest tariff savings.

The incentives are very different for exporters selling to India. Since India's MFN tariffs remain



AJAY  
SRIVASTAVA

**When it becomes cheaper to manufacture in an ASEAN country and export duty-free to India than to produce in India, investment and jobs tend to move abroad. As a result, FTAs can encourage firms to 'Make in ASEAN, Sell in India'**

relatively high, tariff reductions under FTAs can generate substantial savings. As a result, import-side utilisation rates are estimated at 60-70 per cent. Thus, rising imports and low export-side utilisation are not separate issues. Both stem from the same tariff asymmetry between India and its FTA partners.

Third, worsening inverted duty structures. An inverted duty structure arises when duties on raw materials and industrial inputs are higher than those on finished products. While this problem has existed for years, FTAs have made it harder to fix because many finished goods now enter India at low or zero duty from partners such as ASEAN, Japan, South Korea, the UAE and Australia. As a result, Indian manufacturers often pay high duties on imported inputs, especially those sourced from non-FTA countries, while competing against finished products imported duty-free under FTAs.

For example, steel and aluminium attract MFN duties of 7.5-10 per cent, but machinery, industrial equipment and engineering products made from these materials can enter India duty-free under several FTAs. Indian manufacturers, therefore, face higher input costs when competing with tariff-free imported machinery produced with globally priced inputs.

Similar distortions exist in chemicals, plastics, rubber and textiles. Duties on inputs such as caustic soda, soda ash, polypropylene, PVC and SBR raise production costs. At the same time, many finished products in these sectors can be imported at low or zero duty. The result is a tariff structure that protects producers of basic materials but disadvantages downstream manufacturing, making it harder to achieve higher domestic value addition and the goals of Make in India.

Fourth, make in ASEAN, sell in

India. An equally significant consequence of FTAs and resulting inverted duty structures is the growing incentive for firms to manufacture outside India rather than within it. When raw materials and components attract duties in India, but finished products can be imported duty-free from FTA partners, companies may find it more profitable to locate production abroad and export back to the Indian market. In such cases, FTAs effectively encourage offshore manufacturing at the expense of domestic value addition.

ASEAN countries are increasingly becoming manufacturing hubs for supplying the Indian market. Chinese companies have invested heavily in countries such as Vietnam, Thailand and Indonesia. At the same time, some Indian firms have also set up factories and joint ventures there to benefit from lower production costs and duty-free access to India under FTAs. Similar trends can be seen in electronics, steel, chemicals, plastics, consumer goods and engineering products.

When it becomes cheaper to manufacture in an ASEAN country and export duty-free to India than to produce in India, investment and jobs tend to move abroad. As a result, FTAs can encourage firms to "Make in ASEAN, Sell in India" rather than "Make in India".

Unless India's tariffs on industrial inputs are better aligned with its FTA commitments, these agreements may encourage firms to produce abroad rather than in India, weakening domestic manufacturing and supply chains.

The government and industry must work together to address these four challenges so that FTAs strengthen India's manufacturing base instead of encouraging higher imports, overseas production, and loss of industrial capacity.

The writer is founder, GTRI