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SUMMARY OF IMPORTANT EDITORIALS

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TOPICS:-

- 1. The fallout of the crisis in West Asia on India's economy**
(GS Paper I - Society, GS Paper III - Economy)
- 2. Punjab's sacrilege Bill will have chilling effect**
(GS Paper I - Society, GS Paper II - Polity)
- 3. Rupee is more than a measure of price. It's also a barometer of credibility**
(GS Paper III - Economy)

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1. THE FALLOUT OF THE CRISIS IN WEST ASIA ON INDIA'S ECONOMY

(GS Paper I - Society, GS Paper III - Economy)

This editorial 'The fallout of the crisis in West Asia on India's economy' was published in **The Hindu** on 14th Apr 2026, highlights how the **West Asia conflict** can transmit an **oil-led shock** to India's growth, inflation, external sector and fiscal position.

India's Oil Exposure

- India's **energy imports** remain vulnerable because the West Asia war disrupted **crude supply**, gas, fertilisers and shipping, while the partial Strait of Hormuz blockade further restricted petroleum flows.
- Despite sourcing crude from 41 countries, India's **import dependence** has risen and is now close to **90%**, keeping the economy highly exposed to external price shocks.
- India's crude basket, based on **Brent** and **Sour crude**, stayed linked to global oil movements and was about 19% above the global crude price average in March 2026.
- The Indian basket rose sharply in March 2026 and, despite the temporary **ceasefire**, remained elevated at **\$120.28** per barrel on April 9 after peaking at \$157 on March 23.

Real Economy Impact

- The first transmission channel is **supply disruption**, which can hit **energy-intensive sectors** such as textiles, paints, chemicals, fertilisers, cement and tyres, with spillovers across the wider economy.
- The non-availability of **fertilisers** and chemicals can hurt **agricultural output** in the Kharif season beginning in June.
- Higher **logistics costs** will raise **final product prices** through cascading effects because most affected sectors are deeply linked to broader production chains.
- Indian **exports** will be hit from both **demand** and supply sides, as disruptions in West Asia combine with likely slowdown in the U.S. and Europe.
- West Asia accounted for **16.4%** of India's **merchandise exports** in 2024-25, so weakening demand there carries a direct trade cost.

- The depreciation of the **rupee** may partly help **exporters**, but the article treats this only as a limited offset to the broader adverse shock.

External Sector Stress

- The **exchange rate** will remain under pressure because higher prices of **crude**, fertilisers and other energy products raise demand for dollars and other hard currencies.
- India also receives large **remittances** from workers in **Gulf countries** and any decline in these flows would add further pressure on the rupee.
- The article notes that the rupee's recent fall has been driven mainly by **capital outflows** caused by **uncertainty** and fear after the West Asia crisis began.
- Net **FPI outflows** in March 2026 reached **\$13.6 billion**, showing the scale of financial pressure on the external sector.
- The **current account deficit** is likely to widen because export volumes may fall even as the value of **imports** rises if the war continues.

Inflation and Fiscal Pressures

- The crisis can generate **cost-push inflation** in items such as **petroleum products** and fertilisers and broader inflation may worsen if liquidity also rises significantly.
- The government may have to provide additional **subsidies** to **OMCs** if it insists on keeping retail petroleum prices at current levels.
- Any reduction in **excise duty** on petrol and diesel may soften OMC losses, but it will also weaken **tax revenues** when slower growth is already reducing profits and collections.
- State finances will also suffer through weaker **economic activity** and lower **tax devolution**, while States may face pressure to cut sales tax or VAT on petroleum products.
- According to the **CBIC**, lower excise on petrol and diesel causes a **₹7,000 crore** fortnightly loss, partly offset by ₹1,500 crore gain from export tax on Aviation Turbine Fuel.
- That implies a net **revenue loss** of **₹5,500 crore** per fortnight, or about ₹1,32,000 crore annually for the Centre if the crisis persists for the full year.
- Food, **fertiliser subsidies** and petroleum subsidies may exceed **Budget 2026-27** estimates and the article therefore favours allowing retail prices to rise while crude remains high.

- The **RBI** had estimated in its October 2025 report that every 10% rise in the Indian crude basket above a **\$70 baseline** could lower real GDP growth by about 15 basis points and raise inflation by 30 basis points.
- Since the Indian basket touched **\$120.28**, about **\$50 above baseline**, full-year persistence could reduce growth by 1 percentage point and raise inflation by over 2 percentage points.

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Need for Strategic Economic Resilience

- **Energy diversification:** Reducing dependence on West Asian hydrocarbons through Russian supplies, renewables and strategic reserves can lower India's exposure to external oil shocks.
- **Supply-chain security:** Stronger supply chains for crude, gas, fertilisers and critical inputs, along with PM-PRANAM, can limit spillovers to farming, industry and transport.
- **Strategic reserves:** Expanding buffers beyond the Visakhapatnam, Mangalore and Padur petroleum caverns can give the government more room during wars and shipping disruptions.
- **Domestic capacity:** Greater domestic capacity in clean energy, fertilisers and logistics, backed by the National Green Hydrogen Mission, can reduce long-term import dependence.
- **Trade diversification:** Wider export diversification, through deals like the India-UAE CEPA, can reduce losses when one major region faces conflict or slowdown.
- **Macro preparedness:** Strong reserves, prudent fiscal policy and inflation control can help India absorb imported shocks without severe damage to growth and revenues.
- **Long-term lesson:** The broader message is that economic strength depends not only on growth, but also on resilience to repeated geopolitical disruptions.

2. PUNJAB'S SACRILEGE BILL WILL HAVE CHILLING EFFECT

(GS Paper I - Society, GS Paper II - Polity)

This editorial ‘**Punjab’s sacrilege Bill will have chilling effect**’ was published in **The Indian Express** on 14th Apr 2026, highlights the dangers of Punjab’s proposed anti-sacrilege law for **free expression, secular politics and social harmony**.

Problematic Features of the Bill

- The **Punjab Assembly** has introduced the **Guru Granth Sahib Satkar Amendment Bill, 2025**, proposing life imprisonment or at least a 10-year minimum term and a fine up to ₹25 lakh for desecration.
- The Bill defines **sacrilege** in sweeping terms by covering not only physical damage but also spoken, written, symbolic and electronic expressions that may be seen as hurting religious sentiments.
- By extending liability to broad forms of **expression and hurt sentiments**, the law risks becoming a tool against those who merely invoke or discuss contested religious issues.
- The editorial treats the measure as both **regressive and draconian**, warning that it goes far beyond penalising clear acts of desecration.

Political Context and Risks

- With Assembly elections due next year, the **AAP government** appears to be responding not only to a section of the electorate but also to the authority of the **Shiromani Gurdwara Parbandhak Committee**.
- The move may strengthen demands for tighter **religious control over gurdwara affairs**, including stricter oversight of publications related to the Sikh holy book.
- The editorial recalls that two earlier **sacrilege bills**, introduced in **2016** and **2018**, failed because one was rejected by the Centre and the other did not receive gubernatorial assent.
- The renewed push comes more than a decade after the **2015 sacrilege incidents**, which had already deeply unsettled Punjab’s public life and politics.

Legacy of the 2015 Incidents

- On June 1 that year, the **Guru Granth Sahib** was stolen from a gurdwara in **Faridkot**, after which torn pages were found in neighbouring Bargari village.
- Anonymous posters linked the act to alleged disrespect by **Dera Sacha Sauda**, turning the episode into a politically explosive religious controversy.
- The protests that followed became the final blow to the then **Akali government** and the case still continues as an election issue.

Wider Social Impact

- The editorial calls it unfortunate that the **AAP government** has chosen to rekindle such **divisive issues** when Punjab faces urgent problems like gangsters, extortion, drugs, economic weakness and depleted state capacity.
- The Bill has triggered disquiet in a State long associated with a strong **secular ethos**, despite the deep entanglement of religion and politics in Punjabi public life.
- The article argues that there can be no greater irony than such legislation being debated on **Baisakhi**, when **Guru Gobind Singh** founded the Khalsa by uniting men from diverse backgrounds into one fellowship.

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Constitutional and Democratic Concerns

- **Free speech tension:** Broad anti-sacrilege provisions can disturb the balance between **public order** and free expression under **Article 19(1)(a)**.
- **Vagueness risk:** Laws based on subjective offence can weaken legal certainty, much like the Court's concern over vague speech restraints in **Shreya Singhal**.
- **Secular principle:** In a secular order, criminal law must stay religion-neutral, as the Supreme Court has repeatedly linked **secularism** with State neutrality.
- **Misuse potential:** Overbroad provisions can be turned against writers, artists, or critics, as free-speech disputes in **S. Rangarajan** had already cautioned.
- **Democratic restraint:** A mature democracy must distinguish genuine harmony from penal excess, since **Article 19(2)** permits only specific and reasonable restrictions.
- **Constitutional morality:** Legislatures are expected to uphold pluralism and fraternity, not deepen coercive conformity on matters where religion and politics already overlap.
- **Wider implication:** Such laws can let emotional offence shape public law, narrowing debate and weakening faith in **constitutional protections** over time.

3. RUPEE IS MORE THAN A MEASURE OF PRICE. IT'S ALSO A BAROMETER OF CREDIBILITY

(GS Paper III - Economy)

This editorial 'Rupee is more than a measure of price. It's also a barometer of credibility' was published in The Indian Express on 14th Apr 2026, highlights that persistent rupee weakness reflects deeper problems of confidence, external vulnerability and policy credibility.

Limits of Currency Depreciation as a Growth Tool

- A weaker **currency** may briefly aid **exports**, but repeated depreciation usually destroys purchasing power, investor confidence and macroeconomic balance rather than creating durable competitiveness.
- The editorial rejects the idea of exchange-rate weakness as a reliable **shock absorber**, arguing that what seems like a shortcut to recovery can become a trail of inflationary and financial damage.
- For firms and households, a falling **rupee** raises the cost of imported goods and creates a direct **citizen tax** through dearer energy and food.
- In economies dependent on imported inputs, export gains from a weaker **exchange rate** are often offset by **cost-push inflation** and higher production costs.
- The article argues that a currency in free fall is not an export boom story but a blow to **purchasing power** and **investor confidence**.

Structural Constraints and Past Episodes

- The editorial invokes the **Mundell-Fleming** framework and the **Impossible Trinity** to show that countries cannot simultaneously maintain a fixed exchange rate, free capital flows and independent monetary policy.
- During sharp depreciation, authorities face a policy trap because higher **interest rates** defend the **currency** but weaken growth, while tolerance of depreciation fuels imported inflation.
- The article cites the **Global Financial Crisis** and the **2013 Taper Tantrum** as episodes when India and the rupee came under severe pressure.
- After the **Global Financial Crisis**, many countries sought competitive devaluation, but those with high **external debt** found that weaker currencies inflated local-currency liabilities and worsened corporate distress.

- In 2013, the RBI cut the **repo rate** from 9% to 4.75%, reduced **CRR**, opened special dollar windows for oil importers and non-banks and supported liquidity through targeted measures.
- The government also used **fiscal stimulus**, including excise cuts, spending expansion, income-tax relief and higher fiscal deficit, to cushion the post-crisis slowdown.
- During the **Taper Tantrum**, countries like Turkey and Brazil learned that a falling currency can quickly become an immediate tax on the economy through imported inflation.

India's Current External Vulnerability

- The article notes that the **rupee** crashed by about **20%** earlier, forcing aggressive rate hikes, foreign-currency deposit mobilisation, oil-dollar swaps and import-compression measures.
- Those actions helped stabilise the **currency**, narrow the **current account deficit** from 4.8% to 1.3% of GDP and restore a platform for later growth.
- By 2026, however, India has recorded a **BoP deficit** for two years and may enter a third, showing renewed stress in the external account.
- **FPI inflows** were positive in only one of the last five years, while net **FDI inflows** have been negative since August 2025, weakening a key source of durable external financing.
- Even a smaller absolute **CAD** has become difficult to finance, creating sustained pressure on the **rupee** and exposing the economy to confidence shocks.
- The editorial warns that even if the US-Iran conflict eases, tariffs, **Section 301** investigations, AI-related fears and broader geopolitical risks can continue to strain the currency.

Need for Credibility-Centred Policy Response

- Recent **RBI measures** such as swap windows, sterilised intervention and reserve requirement steps may buy time, but they cannot by themselves resolve a persistent supply-driven shock.
- Heavy use of **monetary tools** during a supply shock can backfire because rate cuts may worsen inflation while rate hikes may suppress domestic growth.
- The article calls for **fiscal reforms** such as oil-price rationalisation and subsidy restructuring instead of relying only on short-term exchange-rate management.

- It also argues for broader **structural reforms** in energy security, distribution, electricity and inclusion of petroleum products under **GST**.
- Repatriation pressure on **NRI funds**, retention of existing investors, fresh **FDI**, easier business conditions and policy stability are presented as necessary to rebuild confidence.
- The editorial's central lesson is that the **rupee** is not just a price but a test of **credibility** and chronic erosion of confidence ultimately consumes growth itself.

BEYOND EDITORIAL

Lessons for India's External Sector Management

- **Stable financing:** A sustainable external sector needs long-term capital, exports and remittances, unlike volatile **FPI**, as seen in India's recent financing stress.
- **Beyond depreciation:** Currency weakness cannot replace structural competitiveness, which depends on logistics reforms like **PM GatiShakti** and tax-remission support under **RoDTEP**.
- **Reserve adequacy:** Strong **forex reserves**, tracked in the RBI's Weekly Statistical Supplement, remain vital for calming markets during temporary external shocks.
- **CAD discipline:** A moderate **current account deficit** also becomes risky when financing weakens, as recent external pressures have shown.
- **Investor confidence:** Predictable policy matters because capital follows trust as much as returns, which is why weak **FDI** and unstable inflows hurt the rupee faster.
- **Import rationalisation:** Reducing dependence on imported intermediates improves resilience, as **PLI**-led electronics manufacturing and rising mobile exports have begun to show.
- **Core lesson:** Exchange-rate stability ultimately rests on stronger fundamentals, not intervention alone, as India's export gains and manufacturing push underline.