

EDITORIAL HIGHLIGHTS

07-09-2026

GS 2 & 3: INTERNATIONAL RELATIONS and INTERNAL SECURITY THE HINDU PAGE: 01

India, China hold military talks in Arunachal

The meeting comes ahead of the BRICS Summit, which Chinese President Xi is expected to attend

Talks are being held amid alleged incursions by the Chinese and a military build-up at the LAC

Lieutenant-General Kalia, chief of 3 Corps, led 12-member delegation that included the ITBP

Saurabh Trivedi
NEW DELHI

Amid concerns over conflicting territorial claims and military build-up along the Line of Actual Control (LAC), the Indian and Chinese Armies held their first Corps Commander-level meeting in the Eastern Sector on Sunday, marking a significant expansion of the military dialogue mechanism beyond the Ladakh sector.

The meeting was held at the Vacha-Damai Border Personnel Meeting Point in Arunachal Pradesh amid reports of tension in the Taksing area of Upper Subansiri district.

According to Defence Ministry sources, Lieutenant-General Girish Kalia, Commander of the 3 Corps (Spear Corps), led a 12-member delegation that included an Inspector-General of the Indo-Tibetan



Dialogue route: The meeting was held at the Vacha-Damai Border Personnel Meeting Point in Arunachal Pradesh. FILE PHOTO

Border Police.

The 3 Corps, headquartered at Rangapahar in Nagaland, is responsible for operational areas along the LAC in Arunachal Pradesh. The Indian Army has two Corps formations responsible for the frontier in the State – the Tezpur-based 4 Corps and the Rangapahar-based 3 Corps.

The talks are significant

as Corps Commander-level meetings between the two Armies have largely been held at the Chushul-Moldo Border Meeting Point in eastern Ladakh, particularly after the June 2020 Galwan Valley clashes.

The meeting comes days before India hosts the BRICS Summit in New Delhi from September 11 to 13, which Chinese President

Xi Jinping is expected to attend.

The latest meeting comes amid reports of continued Chinese activity and alleged incursions in the Taksing area, despite two high-level engagements since July.

Until now, the Corps Commander-level mechanism had primarily been used to address military is-

'UN map' must reflect Indian position: govt.

NEW DELHI
India on Sunday said a United Nations-initiated proposed world map must depict the Union Territories of Jammu and Kashmir and Ladakh in accordance with the country's official map, and any "inaccurate" or "misleading" representation will be unacceptable. » **PAGE 6**

sues and tensions along the western sector of the India-China border in Ladakh.

The mechanism became particularly important following the Galwan clashes, in which both sides suffered casualties.

Since then, India and China have continued to use military and diplomatic channels to manage dif-

ferences and maintain stability along the LAC.

On August 6, the two countries held the 36th meeting of the Working Mechanism for Consultation and Coordination on India-China Border Affairs. This was followed by the 25th round of talks between the Special Representatives (SR) on the Boundary Question in Beijing on August 26.

National Security Adviser Ajit Doval represented India, while the Chinese delegation was led by Wang Yi, Member of the Political Bureau of the Communist Party of China Central Committee and Director of the Office of the Central Commission for Foreign Affairs.

Eight-point document
The two sides signed an eight-point outcome document following the SR-level talks. The agreement included a decision to estab-

lish two additional Border Personnel Meeting Points and new hotlines to strengthen communication and confidence-building mechanisms along the frontier.

According to sources, one of the newly proposed meeting points will be in the Eastern Sector under the operational responsibility of the 3 Corps, while another will be in the Central Sector.

The sources clarified that Joshimath is not among the newly identified meeting points.

Meanwhile, the Indian Army has been closely reviewing its operational preparedness along the frontier. Recently, Army Chief General Dhiraj Seth visited the headquarters of the 3 Corps, where formation commanders briefed him about operational readiness and measures being undertaken to strengthen combat capabilities.

GS 3: INTERNAL SECURITY

THE HINDU PAGE: 06

Road map ready to make India drug-free by 2029, says Shah

Press Trust of India
PANAJI

Union Home Minister Amit Shah on Sunday said that the government has prepared a road map to make India drug-free by 2029, asserting that a drug-free youth population would lead to the goal of a *Viksit Bharat* by 2047.

The Centre has adopted a coordinated, nationwide strategy to dismantle the entire narcotics network, from drug trafficking to financing, while also focusing on rehabilitation, as part of its goal of achieving a “Drug-Free India” by 2029, Mr. Shah said at a press conference after chairing a high-level meeting on narcotics attended by Goa Chief Minister Pramod Sawant and officials of the Union Home Ministry and the State government.

Mr. Shah said that in 2019, a four-tier National Coordination Committee for Countering Drug Trafficking (NCORD) mechanism was created at the executive, State and district levels to ensure coordinated action against the drug menace in the country. “Dedicated Anti-Narcotics Task Forces [ANTFs] have been constituted in all



Amit Shah

States and Union Territories, and local police have been linked with the national strategy.”

He said a Joint Coordination Committee was also formed in 2019 to enable Central agencies and State governments to take joint decisions against major drug networks, their international connections and operational gaps.

The Narcotics Control Bureau (NCB) has been strengthened by reorganising its cadre and enhancing its manpower, zonal presence and operational capabilities, Mr. Shah said.

The government has linked awareness, treatment, rehabilitation and livelihood opportunities with the anti-narcotics campaign, he pointed out, adding that the 1933 MA-NAS helpline has been introduced to support persons with drug addiction.

GS 3: SCIENCE AND TECHNOLOGY

THE HINDU PAGE: 07

Sharpest pictures of sun's surface reveal previously unseen whirlpools

In all pictures taken of the sun's surface in the past century, the edges of its convection cells were blurred; for decades, solar physicists wondered if these edges were really frayed or if they could find more detail if they observed the cells using a more powerful telescope; new images have settled the debate

Shamim Haque Mondal

Scientists have used the world's largest telescope to study the sun to capture the highest-resolution pictures yet of the sun's surface, revealing small, violent plasma whirlpools moving across it.

The discovery could change how scientists understand the way energy and magnetic fields move through the sun's atmosphere. These whirlpools seem like an efficient way to move energy and magnetic flux, and could also be responsible for braking the sun's magnetic fields at small scales.

Such braided fields are thought to store and release the energy that powers solar flares and other eruptions – and may help explain why the sun's outer atmosphere is so unexpectedly hot.

The team's findings were published in *Nature* on August 5.

Details on the edge

The part of the sun that we see is called the photosphere. This is a chaotic environment filled with a roiling mass of superheated plasma. The light we see on the earth is energy emitted by this plasma.

Astronomers have been taking pictures of the sun's exterior for a long time, and they have always seen a beehive-like structure there. The cells in this structure are called convection cells. Each cell spans up to around 2,000 km – the distance from Mumbai to Guwahati – and lasts for 5-10 minutes before dissipating. The visible features of a convection cell are called granules. All these granules together form the outer visible layer of the sun.

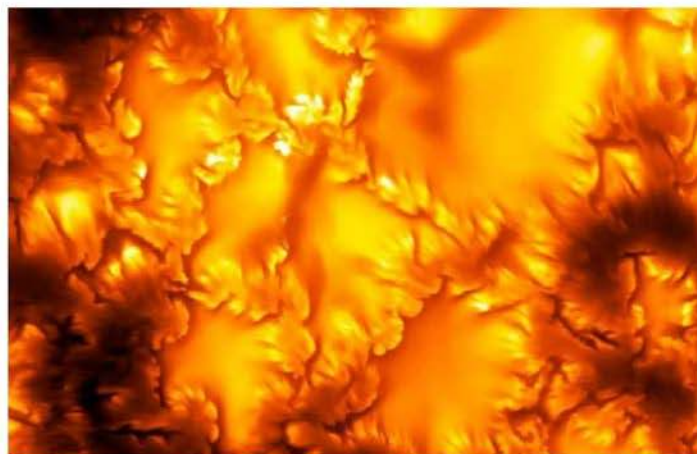
In all the pictures taken of the sun's surface in the past century, the edges of these granules were blurred. They looked like frayed cotton.

And for decades, solar physicists have wondered if these edges are really frayed or if they will find more detail if they observe them using a more powerful telescope. The new images have settled the debate.

The weakness is in the telescope's aperture, the researchers – from the U.S. National Science Foundation National Solar Observatory (NSO), Germany's Max Planck Institute for Solar System Research (MPS), and the High Altitude Observatory (HAO) – wrote in their paper in *Nature*.

It seems that with telescopes whose primary mirrors are smaller than two metres wide, it is not possible for physicists to observe the fundamental perturbations on the sun's surface.

For their study, the researchers turned to the NSF Daniel K. Inouye Solar Telescope (DKIST) in Hawaii. Perched



The highest-resolution image of the sun's surface ever captured, by the Daniel K. Inouye Solar Telescope. At the edges of the solar granules, the image reveals fringed-looking structures that display swirling motions. NSO/NSO/AURA/MPS

near the 10,000-foot-high summit of the Haleakala volcano, the DKIST features a giant four metres primary mirror. It started scientific operations in late 2019.

The team used it to observe a magnetically active region on the sun called NOAA 14690, capturing light at a wavelength of 416 nanometres (which is visible light of a blue-violet colour). They also paired the telescope with a high-speed FastCam camera developed jointly by NSO and MPS. The camera had an exposure time of 100 microseconds, capturing up to 740 frames per second.

With the help of this camera, the researchers took many pictures of the sun's turbulent atmosphere.

Then, one member of the research team, Michiel van Noort of MPS, used an advanced image processing technology called multi-frame blind deconvolution to remove the blurring that occurs when the sun is photographed from the earth. Then the team combined multiple cleaned up images to recover a clear image.

Dr. Noort used this technology to capture images of the sun's surface of dimension 5,800 km x 4,350 km at a resolution of 19 km. This is like being able to spot a 10-rupee coin in Mumbai from Pune. Thus, the team found that the edges of the solar granules are innumerable small coils of plasma, each only 25-470 km long, separated by around

65 km. And they had their own little magnetic fields.

Wind over a river

The researchers also found that these small plasma coils moved along the boundaries of the granules, twisting and interacting with one another. And as they did, they generated whirlpools in the plasma – vortices that spun rapidly and changed shape within seconds.

When a strong wind blows over a calm river, small whirlpools form on the water. Generally, physicists say, a vortex is formed at the interface where two adjacent fluids move past each other at different speeds. The same thing has been found happening on the sun.

Scientists have previously found such whirlpools in the atmosphere of gaseous planets like Jupiter.

This is the first time scientists have seen such a wave moving on the surface of the sun.

These whirlpools in the sun's plasma also rapidly grow in size. The scientists found that the fastest-growing vortices became 2.7-times larger than their original size in just 18 seconds. Even those that grew a little slower took only 71 seconds to reach this size. They rotated at about 1.6-2.8 km/s.

The scientists found that, over three minutes, these whirlpools constantly

form, merge with each other, and break up again.

A new way

The team confirmed its observations with the DKIST using magneto-hydrodynamics simulations on a computer. In both cases, the vortices' rotational speed and energy were the same. In other words, these whirlpools are essentially the sun's engines: they capture the sun's internal magnetic energy and radiate it out into the universe.

The simulations also suggested the whirlpools lie 100-400 km below the photosphere.

The findings give solar physicists a new way to investigate the boundary between convection and magnetism. The whirlpools generate turbulence and continuously distort the magnetic fields. In doing so, they could provide the small-scale motion needed to braid magnetic field lines and release magnetic energy higher in the atmosphere.

The next step is to determine how much energy these instabilities transport and how the small vortices are connected to the more energetic events of the sun's atmosphere.

(Shamim Haque Mondal is with the Physics Division, State Forensic Science Laboratory, Kolkata. shamimmondal709@gmail.com)

THE GIST

New images captured by the world's largest telescope have provided the clearest view yet of the sun's surface, helping scientists better understand how energy and magnetic fields move through its atmosphere.

Scientists used the Daniel K. Inouye Solar Telescope in Hawaii, which has a giant four metres mirror, to capture the sharpest images of the sun's surface; its advanced imaging capabilities allowed researchers to observe tiny solar features that smaller telescopes could not detect.

Scientists found that tiny plasma coils on the sun's surface continuously move, twist and interact, and create fast-spinning whirlpools similar to those formed when strong winds disturb water. These vortices grow rapidly, merge and break apart within seconds, revealing a highly dynamic process never before observed.

GS 3: SCIENCE AND TECHNOLOGY

THE HINDU PAGE: 07

Sulphuric acid: not so deadly

Vasudevan Mukunth

Researchers have found that certain peptides — short chains of amino acids that make up proteins — are not only stable in 98% concentrated sulphuric acid but also fold into the complex 3D shapes required to perform the functions central to life.

Thus, the findings, published *Proceedings of the National Academy of Sciences* on September 4, defy the assumption that concentrated sulphuric acid is a bane for the building blocks of life. Scientists had previously found nucleic acid bases and amino acids to be stable in the same solvent; this is the first time a macromolecule important to biology has been shown to be capable of the same feat.

Normally, strong acids break down peptides in a process called hydrolysis; as the name suggests, water molecules break down one or more important bonds. Since 98% sulphuric acid contains almost no water, the reaction that would normally shred the peptide bonds can't happen, allowing the peptides to remain stable for several weeks at room temperature.

Using nuclear magnetic resonance spectroscopy, the researchers found that these peptides folded into a specific shape called an omega loop, using the sulphuric acid molecules themselves as a kind of scaffolding to help maintain the shape.



Drops of 98% concentrated sulphuric acid rapidly dehydrate tissue paper, leaving behind carbon, which stains it black. PUBLIC DOMAIN

This is however a significant departure from how proteins behave in water, where they typically form different structures like helices or sheets.

The findings are important for the search for life beyond the earth. For example, Venus is covered in clouds of concentrated sulphuric acid, which scientists previously assumed were too harsh an environment to host any complex chemistry. The new findings question this assumption.



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GS 2: POLITY

THE HINDU PAGE: 08

Judicial integrity — a case the Court cannot ignore

Serious allegations against the Acting Chief Justice of the Rajasthan High Court, Justice Sanjeev Prakash Sharma, have come to light following reports of letters written by Supreme Court of India judge Justice Sandeep Mehta to the Chief Justice of India (CJI), in which he has sought Justice Sharma's immediate transfer. Justice Mehta, who previously served as a judge of the Rajasthan High Court and is regarded for his uprightness, discipline, and integrity, wrote three such letters on August 2, 10, and 17. The contents of these letters are now partly in the public domain.

Letters that raise serious questions

The letters reportedly refer to complaints about the manner in which Justice Sharma has been functioning. They also highlight alleged instances of victimisation of judges, maladministration, improper "shifting of cases" to his Bench, and nepotism in appointments to the Permanent Lok Adalat. Justice Sharma has allegedly been intimidating some of his colleagues with the threat of retributive measures, including transfers, based on his claimed proximity to the CJI. It is reported that Justice Mehta's letters refer to specific instances of alleged favouritism towards a chosen few among the lawyers and the misuse of power in his capacity as the "master of the roster". Justice Mehta's last letter reportedly expresses concern over the CJI's alleged inaction, particularly as Justice Sharma is due to retire on September 26. So far, there has been no official denial of the reports concerning the contents of the letters. Justice Sharma, of course, has publicly denied the accusations as baseless.

A High Court functioning without a regular Chief Justice and functioning under an Acting Chief Justice for a considerably long period — in the instant case, for about 11 months — is not a good institutional gesture. The fact that Justice Sharma was earlier transferred to the Patna High Court in 2022, and that his request for repatriation to the Rajasthan High Court was rejected by the Collegium in 2023, which instead proposed his transfer to the Punjab and Haryana High Court, is also not a commendable antecedent. Justice Mehta, according to reports, is said to have wondered how such a judge came to be retransferred to the Rajasthan High Court in 2025 and subsequently allowed to function as the Acting Chief Justice, with wide-ranging administrative and judicial powers.

Of late, there have been two crucial developments. First, lawyers at the Rajasthan High Court staged a sit-in protest on the High Court premises, following which Justice Sharma had to opt out from hearing cases. Second, on August 31, the Supreme Court Collegium recommended the appointment of Justice Sanjay Agrawal as the new Chief Justice of the Rajasthan



Kaleeswaram Raj

Lawyer at the Supreme Court of India

High Court. Accordingly Justice Agrawal is now appointed.

Allegations of corruption against sitting judges in India are neither uncommon nor unprecedented. Yet, certain unique features of the present reports are worth noting. A sitting judge of the Supreme Court reportedly alerted the CJI to the conduct of an Acting Chief Justice of a High Court, supported by verifiable material.

Yet, for several weeks, no cogent steps were reportedly initiated by the CJI in this regard. The CJI reportedly said that the allegations could not be treated as findings and that they "must be dealt with strictly through the established institutional mechanism". In view of Justice Sharma's impending retirement, early action by the CJI to Justice Mehta's letter could perhaps have averted some of the disturbing events that subsequently followed.

Transparency International, in its reports, has underlined the growing trust deficit in the Indian judiciary. According to its 2002 report, based on a household survey, the judiciary was identified as the second-most corrupt institution in certain South Asian countries, including India. The report is indeed shocking. Yet, the present situation in India is far more complex and multi-dimensional. There are many fine judges in India's judiciary whose integrity and public image should not be tarnished because of aberrations elsewhere, whether on or off the Bench.

Institutional responsibility, structural issues

The repeated episodes of judicial corruption in India reflect certain fundamental issues concerning the functioning of its higher judiciary.

First, the total lack of criteria, coupled with the unavoidable collaboration between the Collegium and the Executive at the Centre under the present system, makes judicial appointments highly partisan, opaque, and often arbitrary. This mechanism and its processes are incapable of identifying the cleanest and most meritorious candidates. The issue of corruption in the judiciary, like many other institutional concerns, is inseparable from the existing method of selecting candidates for judicial office. A system of inviting applications, as is prevalent in Canada, or an independent body for judicial selection, as in the United Kingdom, remains unthinkable in India.

Second, the lack of an effective mechanism to deal with corruption in the higher judiciary in India has had the effect of perpetuating the menace. The Judges (Inquiry) Act, 1968, is inadequate to tackle the issue and has, for all practical purposes, become defunct. The Supreme Court, in *K. Veeraswami vs Union of India* (1991), held that, for registering a First Information Report against a judge of the higher judiciary, the permission of the CJI is a necessary

precondition. As lawyer Prashant Bhushan rightly observed, "the police does not dare approach the Chief Justice for permission to investigate, unless they already have clinching evidence, which they cannot get, unless they investigate" ("Judicial Accountability or Illusion?", *Economic and Political Weekly*, November 25, 2006). Although the United Progressive Alliance government facilitated the passage of the Judicial Standards and Accountability Bill in the Lok Sabha in 2012, the Bill lapsed with the dissolution of the 15th Lok Sabha in 2014. The subsequent legislative effort to revive the Bill, with some changes, also remained a non-starter. The impeachment of erring judges, as suggested by Articles 124(4) and 217(1)(b) of the Constitution, has proved to be a failure. Likewise, the in-house mechanism adopted by the Supreme Court in 1999 has not proved to be fault-free or even effective.

Earlier crises, different responses

But these considerations could not have been reasons for the CJI not to act promptly upon the concerns allegedly expressed by Justice Mehta. On the contrary, the lack of a permanent systemic solution to the issues raised should have been an additional reason for the CJI to take remedial measures expeditiously and diligently, and to do whatever was possible within his authority. The situation called for judicial statesmanship. In 1990, when an inquiry was underway against Justice V. Ramaswami for alleged misconduct, he was advised by then CJI Sabyasachi Mukharji, to take leave and keep away from judicial work.

Thereafter, when the impeachment motion against Justice Ramaswami failed in Parliament due to the Congress party's strategic abstention, the judge attempted to resume judicial work, with about nine months of his tenure remaining.

However, then CJI Venkatachaliah refused to allocate any cases to him for hearing, notes Justice K. Chandru in his book, *Who Will Judge the Judges?* (2026). Even last year, when partly burnt currency notes were reportedly found in the outhouse of Justice Yashwant Varma at his Delhi residence, then CJI Sanjiv Khanna, quickly transferred him to the Allahabad High Court, where he was not allocated any judicial work, practically. In the reported decision in *XXX vs Union of India* (2025), the Supreme Court emphasised the responsibility of the CJI in matters relating to judicial integrity and allegations of corrupt practices.

Justice Sharma allegedly claimed that the CJI is proximate to him. This was a factor that led to undesirable and avoidable speculations. Given the nature of the allegations and their immediate verifiability, it was imperative that the CJI acted promptly and convincingly, so that further damage to the system and the institution could have been reduced, if not prevented altogether.

Allegations against a High Court judge raise serious questions about judicial accountability in India

GS 2: INTERNATIONAL RELATIONS

THE HINDU PAGE: 08

Harnessing BRICS 'POWER' to empower the world

The 18th BRICS Summit is about to be held in New Delhi on September 12-13, 2026. China extends full support to India for its BRICS presidency, stands ready to work with all BRICS members and partners to jointly draw a blueprint for the high-quality development of a greater BRICS, and leverage BRICS POWER to empower the world. I would like to share my personal views on the greater BRICS cooperation, with the help of the five letters of the word Power.

The first is P for Principle. The world is now undergoing accelerated transformation unseen in a century, and witnessing a trend toward deepening multipolarity, economic globalisation, and the collective rise of the Global South. In the meantime, hegemonism and power politics are becoming increasingly rampant. Lingering geopolitical conflicts trigger a succession of crises and challenges.

As an important force for world peace and development, BRICS must resolutely uphold the purposes and principles of the United Nations Charter, and safeguard the basic norms of international relations, including sovereign equality, non-interference in internal affairs and peaceful settlement of disputes, and prevent the world from sliding back into the law of the jungle where the strong prey on the weak.

Upholding international principles

Chinese President Xi Jinping put forward the vision of building a community with a shared future for humanity and four global initiatives, including the Global Security Initiative and the Global Governance Initiative, which provided China's solutions on addressing common human challenges and building a better world together.

The second is O for Openness. The world economy is currently facing a sluggish recovery, coupled with the spread of protectionism. Certain countries have undermined the international economic and trade order by erecting tariff barriers, seeking decoupling and disrupting supply chains.

It should be recognised that economic globalisation is an inevitable trend of history. BRICS should uphold the multilateral trading system with the World Trade Organization (WTO)



Xu Feihong

The Chinese
Ambassador to India

The five
commitments
for
strengthening
BRICS
cooperation and
empowering the
Global South to
build a more
peaceful, open,
and prosperous
world

at its core, safeguard the basic principles of the WTO such as the most-favoured-nation treatment, and resist all forms of protectionism. We should join hands to deepen cooperation in energy and mineral resources, infrastructure, and industrial and supply chains to maintain an open global economic landscape.

China stays committed to building an open global economy, so as to share opportunities in openness, and achieve common development.

The third is W for Win-Win. BRICS should adhere to the Spirit of Openness, Inclusiveness and Win-Win cooperation. We should continue putting development at the centre of the BRICS agenda, accelerate the implementation of the UN Sustainable Development Goals, strengthen dialogue and build consensus on launching the formulation of the post-2030 global development agenda, and ensure that Global South countries participate in international cooperation as equals and share the fruits of development.

Economic and financial cooperation

We should pursue mutual benefit and win-win results to further consolidate economic cooperation. It is necessary to strengthen greater BRICS coordination on macroeconomic policies and adopt more trade and investment facilitation measures. We should push forward local currency and cross-border payment cooperation and improve the financial safety net, so as to enhance the ability to ward off external risks. In the face of global energy and food security challenges, we should build a more resilient and sustainable agriculture and food system.

The fourth is E for Engine. BRICS countries account for nearly half of the world's population, around 30% of global economic output, and one-fifth of global trade. We are also home to major natural resources, key manufacturers and vast markets. According to international agencies such as the International Monetary Fund, greater BRICS growth will be nearly three times faster than the G-7 by 2028, further highlighting its role as an engine of world economic growth.

We should leverage our respective advantages, deepen practical cooperation in fields such as business, finance, science and technology,

forging more cooperation in the digital economy, smart manufacturing, and new industrialisation.

We should actively promote the integration of artificial intelligence (AI) with sectors including science and technology, health, agriculture and education, thereby injecting fresh impetus into world economic growth. China has established the China-BRICS AI Development and Cooperation Center and the China-BRICS New Quality Productive Forces Research Center, and welcomes active participation of all parties.

The fifth is R for Responsibility. BRICS countries are the main force in safeguarding fairness and justice and the backbone of promoting unity and cooperation. We must shoulder the responsibility of maintaining world peace and development. Over this year and the next, India and China will take on the BRICS rotating presidency in succession. Maintaining sound coordination between our two countries is conducive to the steady and sustained progress of greater BRICS' cooperation, and will better safeguard the common interests of developing countries.

China-India ties

Since the beginning of this year, under the strategic guidance of the two leaders, President Xi Jinping and Prime Minister Narendra Modi, China-India relations have maintained a momentum of improvement and development. The two sides strengthened dialogues at all levels and promoted exchanges and cooperation in various fields to achieve positive results. Five direct flight routes between the Chinese mainland and India have been resumed. After a six-year suspension, border trade has been reopened.

China looks forward to working with India to translate the important consensus reached by the two leaders into concrete actions, being good-neighbourly friends and partners that help each other, and pushing China-India relations to move forward in a sustained, healthy, and stable manner. May the 18th BRICS Summit in New Delhi be a great success. We welcome you all to China next year to continue empowering the world with BRICS POWER.

GS 3: ECONOMY

INDIAN EXPRESS PAGE: 10

Lost and found: An 'A' for India's long game



N K SINGH

FOR DECADES, our unrealised quest was to be an "A"-rated sovereign. This eluded us. Many of us who interacted with rating agencies remained perplexed by their opaque methodology. The predilections and biases successively penalised fast-growing emerging markets even with low external debt and sound macroeconomic frameworks. The duality of standards, often based on territorial location of economic activity, influenced the outcomes.

Finally, on September 2, came a breakthrough. The Japan Credit Rating Agency upgraded India's long-term sovereign rating, from BBB+ to A-, and the country ceiling was raised to A.

The last time India held an A-grade was January 1988, when Moody's assigned us the A2 rating. However, our borrowing fuelled growth of the 1980s meant the A-grade did not last. The central government's fiscal deficit reached 9.1 per cent of GDP and the current account deficit rose to 3.1 per cent of GDP in FY 1989-90. The continued political instability of three prime ministers in as many years inevitably delayed reforms. The prospect of fiscal rectitude was not in sight. Thereafter came the First Gulf War, rising oil prices and India's Balance of Payment crisis.

By October 1990, India was downgraded to Baa1. By mid-1991, our reserves barely covered a few weeks of imports and investor psychology was weak. We were further downgraded to non-investment grade. Notwithstanding credible progress through successive governments thereon, efforts to secure the A-grade were not accepted. Thirty-six years passed by since the A-grade was lost.

Sovereign credit ratings are independent assessments of a country's creditworthiness by leading global rating agencies. They range

from the coveted AAA to "junk" status, with BB+ and below classified as non-investment grade (junk). It is a probability of default, expressed as a letter grade.

Under Basel III regulations, they remain embedded in the capital rules of banks. A sovereign upgrade potentially lowers the "risk weights" or the capital that banks must hold against government debt. Lower risk weights mean stronger demand for sovereign bonds and cheaper funding. A down-grade would mean the opposite.

The industry itself dates to 1909, when John Moody began grading American railroad bonds, with sovereign ratings following in the 1920s. The agencies that dominate: S&P Global, Moody's, Fitch, Japan Credit Rating Agency, R&I of Japan and Morningstar DBRS. Agencies assess institutional strength and governance, economic structure and growth. External accounts and reserve adequacy, the fiscal position, the foreclosure of revenue for servicing debt and debt path, and monetary flexibility come into play. This framework can, however, be opaque with judgement. A territorial divide emerges between advanced economies and the Global South.

Yet they remain important because they influence boardroom decisions of investors. Curiously, even international institutions like the World Bank (obsessed with retaining their AAA rating) and some sovereign governments are also conscious of the rating they secure.

The Japan Credit Rating Agency itself cites "high growth rate of around 7 per cent, supported by robust private consumption and public investment", "supported by personal income-tax cuts and reductions of GST rates, with the economy growing

7.7 per cent in real GDP terms" and "the banking sector's gross nonperforming loan ratio (which) declined to 1.8 per cent... supported by the establishment of Insolvency and Bankruptcy Code, capital injections by the government". Almost every item on that list is structural rather than cyclical.

We must also recognise that their decision comes at a time notwithstanding the odds and uncertainties of tariff frictions, tensions in West Asia and elevated oil prices. These fears have been quashed by India's macroeconomic and political stability, and continuing structural reforms. This paradigm shift, more than any single number, is what the A- represents.

It is symbolic of the confidence in India's long-term growth prospects. This increases the pressure and "nudge" effect on other rating agencies: S&P Global, Moody's and Fitch, which hold India at BBB, Baa3 and BBB-, respectively. Generally, agencies are wary of being conspicuous outliers.

The upgrade arrived days after the first quarter estimates for 2026-27. India recorded real GDP growth of 7.8 per cent, nominal growth of 10.3 per cent, real GVA growth of 8.2 per cent and gross fixed capital formation growing 11.9 per cent. Some critics have wrongly suggested the number is contrived but this charge does not survive basic scrutiny. GDP series are revised the world over as the structure of an economy changes and more granular data become available. India has revised its series many a times: 1948-49, 1960-61, 1970-71, 1980-81, 1993-94, 1999-2000, 2004-05, 2011-12, and 2022-23.

More importantly, this revision addresses what IMF's assessments had flagged in our old GDP series. In particular, the outdated base

year and its reliance on wholesale rather than producer prices. The new series introduces Output Producer Price Index, adopts double deflation across sectors, including manufacturing, and aligns us closer to the global System of National Accounts (SNA) 2008. MOSPI has stated clearly that the revisions do "not represent a downward revision made to make the current year's growth appear higher". The improved implicit deflator now has "more than 300 individual price deflators" reflecting its granularity.

There are three reasons why this moment is significant. First, an unsolicited upgrade to the A-grade is an external verdict, not a negotiated one. Second, it validates institutions built through Centre-state consensus, the GST Council foremost among them, whose pooled sovereignty has no true parallel elsewhere. Third, it should translate into lower risk premia in corporate boardrooms. This is where foreign direct investment decisions are actually taken, and augurs well for inward capital flows.

When the crisis in the Straits broke out, many thought India's Goldilocks economy was coming to an end. Despite everything that seemed to be going wrong, the economy remains just right. Growth near 8 per cent, inflation within the band, banks at their cleanest in a generation, and capital arriving rather than departing.

Keynes once cautioned against becoming the prisoners of our own habitual ideas. Rating committees are unusually prone to that particular imprisonment. The reforms of 1991 were once dismissed as compulsion rather than conviction. History has been unkind to that verdict. Thirty-six years on, India is back where it belongs.

The writer is former chairman, 15th Finance Commission

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