

India. Youth protests

Modi faces 'bitter pill' as Cockroach unrest grows

Group takes aim at election integrity as prime minister's legitimacy is questioned

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As New Delhi was rocked by unrest over the weekend, youth leader Saurav Das emerged from jail asking why prime minister Narendra Modi was so keen on "protecting" Gyanesh Kumar, the election commissioner who is the target of protesters' ire.

Does Kumar "know something about the 2024 elections", Das asked on Sunday, referring to the polls in which Modi secured a third term despite losing his outright majority in parliament.

The taunt made clear how difficult it will be for Modi to quell the protests, which have shaken the Indian capital over the past week. In July, youth protests over exam leaks forced the resignation of the education minister, in what was then a rare defeat for Modi.

But the target this time — the institution that oversees elections in the world's largest democracy — is much broader, making it more difficult for Modi to find the right response.

"Conceding" to the demand for Kumar's resignation could open the door to questioning the legitimacy of the government, said Ruchi Gupta, executive director of the non-partisan Future of India Foundation.

For now, the authorities have responded with force, arresting scores of protesters and locking down the capital of more than 20mn at the weekend. Das was again detained yesterday after breaking into Jantar Mantar, a 300-year-old observatory in central New Delhi that was the site of Saturday's protests. The government delisted it as an authorised protest site on Monday.

Rahul Bhatia, India analyst at Eurasia Group, said Modi's most likely course of action was "projecting a sense of business as usual, continuing a heavy-handed approach to ensure demonstrations don't gather momentum".

"The second option would be to pressure Kumar to resign. This would be a bitter pill for the government to swallow, especially after they had to sacrifice education minister Dharmendra Pradhan in July," he said. "It would also open up the possibility of more ministers and state chief ministers resigning."

The protesters' objections centre on a



Security forces detain a protester in New Delhi on Sunday, while others are loaded into a police vehicle, below — AP/Vgn

controversial revision of the voter rolls that began last year and which saw 150mn names purged. The commission has defended the exercise as a regular procedure to "purify" the rolls of duplicates, deceased or ineligible voters.

But critics say the overhaul may have unfairly benefited Modi's Bharatiya Janata Party, which since then has won a number of state polls. They allege that the commission wrongly deleted tens of millions of voters, particularly Muslims, at the behest of Modi's Hindu-nationalist party — an accusation the BJP denies.

Seven more Indian states are due to hold elections next year, including the

most populous state, BJP-led Uttar Pradesh, raising further concerns ahead of nationwide elections in 2029.

Kumar has not been seen in public for weeks, while Modi — who has yet to comment on the protests — spent the weekend in the state of Tamil Nadu, where he inaugurated metro stations and prayed at Hindu temples.

The protests, which are led by the youth upstart Cockroach Janata Party, have aligned the group with India's established opposition. Rahul Gandhi, whose Indian National Congress Party continued the protests on Monday, has also alleged voting irregularities. "The opposition is asking one question: show us proof that you have not cheated in the elections," Gandhi said.

Yesterday, Amit Shah, home minister, accused Gandhi of using the voter roll revisions to "dismiss the popularity of the BJP", adding: "You need to introspect."

Kiren Rijiju, minister for parliamentary affairs, said: "Protest is the right of every citizen but brazenly abusing constitutional authorities is deplorable."

But the BJP, which emerged as a satirical online movement in May, has united India's youth, offering a rallying cry for discontent with Modi's administration

If the top election official is forced out, it 'would open up the possibility of more ministers and state chief ministers resigning'

in a country where the median age is 28 and many young people struggle to afford education or find employment.

Analysts at BMI, Fitch Group's risk consultancy unit, said the movement would continue to "grow over the coming weeks" though they noted "uneven participation beyond major cities".

"The youth will keep coming out," said Uday Bhanu Chib, the national president of the Indian Youth Congress, a unit of Gandhi's party. "[They] are no longer afraid of this government."

Abhijeet Dipke, the 31-year-old BJP founder, expressed a similar sentiment: "Put us in jail not once, but 100 times."

But analysts warned against drawing parallels to Gen Z-led uprisings that deposed governments in neighbouring Bangladesh and Nepal in recent years.

"The opposition must seek to unseat the government through elections, which are still two and a half years away," said Gupta.

With protest chants of *vote chor, godhi chhod* — "vote thief, leave the throne" — ringing out in the streets, a rapid resolution seems distant. Protester Mohsin Khan, said: "Vote theft is a real, genuine issue. My mum was deleted from the list. The government has to go."

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ing threats to the smooth functioning of markets, IMF researchers produced a special section on "zombification" and the dangers it poses to weaker banks.

The IMF found that across 10 Asian economies — including China, India, Thailand, Indonesia and South Korea — zombie companies accounted for 21.4 per cent of outstanding corporate debt in the region, up from under 10 per cent in 2008.

Zombie companies are defined by the IMF as corporations whose earnings have not covered interest payments for at least three years. In most cases, such companies' survival is sustained by bank forbearance, suggesting an associated build-up of systemic financial risk.

The extension of thousands of companies beyond their natural economic life is seen by analysts as the root cause of Japan's "lost decades" of economic stagnation from the 1990s onwards and the country's acute non-performing loan crisis of the early 2000s. Japan's current zombie quota was not included in the IMF's latest research.

The IMF said that at the end of 2025, corporate credit in Asia averaged 107 per cent of GDP, up from 81 per cent before the global financial crisis in 2007. That figure compared with an average of 93 per cent globally and 99 per cent among emerging market economies.

"This rising share of corporate debt is increasingly concentrated in firms that cannot service it," the IMF said.

While the IMF did not highlight specific country risks, recent analysis suggests that corporate zombification is building up rapidly in China.

In a report covering listed Chinese companies, Natixis analysts led by Alicia Garcia Herrero, chief economist for Asia Pacific and the Middle East, found that the share of companies whose revenue was insufficient to cover interest payments rose to 12.5 per cent in June 2026 from about 6 per cent in 2019.

That figure was about double the global rate of 6.5 per cent, which itself was relatively unchanged since 2018 despite a fluctuation during the pandemic.

State policies favouring companies in advanced industries such as semiconductors had supported their rapid development but not their profitability, the study's authors said.

China's National Bureau of Statistics said the percentage of companies with annual operating revenues of Rmb20mn (\$5mn) or above that were loss-making was 29.35 per cent in August, up from 20.8 per cent the same month five years ago.

If the stock of zombie debt in the 10 Asian economies surveyed by the IMF had been subjected to hazard and recovery rates typical of groups with sustained distress, almost 25 per cent of their debt would have been written off or restructured as of 2025, the Financial Stability Report concluded.