

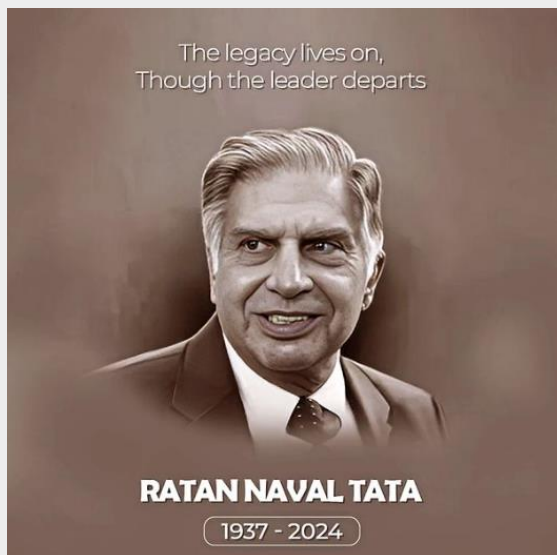
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## 1. Ratan Tata: A Titan of Indian Industry Takes His Final Bow

### Passing of a Legend

Ratan Naval Tata, chairman emeritus of Tata Group and veteran industrialist, passed away peacefully at the age of 86 on Wednesday evening at Breach Candy Hospital, Mumbai.



### Family's Statement

In a heartfelt statement, his family shared, "We take solace in the outpouring of love and respect from all who admired him. While he is no longer with us in person, his legacy of humility, generosity, and purpose will continue to inspire future generations." Tata is survived by his younger brothers, Jimmy and Noel, and his stepmother Simone.

### Tributes from Leaders

Prime Minister Narendra Modi honored Tata, calling him a visionary business leader and an extraordinary human being. Modi highlighted Tata's dedication to dreaming big and giving back, noting his contributions to education, healthcare, sanitation, and animal welfare.

Tata Sons Chairman N. Chandrasekaran expressed a deep sense of loss, stating that Tata's immeasurable contributions had shaped both the Tata Group and the nation.

Rahul Gandhi, Leader of the Opposition, also paid tribute, acknowledging Tata's visionary leadership and lasting impact on business and philanthropy.

### Career and Legacy

#### Leadership at Tata Group

Ratan Tata, often referred to as "RNT" within the Tata Group, led the conglomerate from 1990 to 2012, and briefly returned as interim chairman in 2016. He passed the reins to N. Chandrasekaran in 2017. Despite retiring, Tata remained influential, particularly through Tata Trusts, which holds a majority stake in Tata Sons.

#### Global Expansion

Tata's leadership transformed the Tata Group into a global powerhouse. Notable acquisitions under his leadership included Tetley, Jaguar, Land Rover, and Corus Steel, making Tata a recognized international brand. While known for his politeness, Tata was firm and resolute when it came to business matters.

### Post-Retirement Ventures

Even after retirement, Tata continued to influence Indian industry by nurturing start-ups through his investment firm, RNT Associates.

### A Lasting Legacy

Ratan Tata's passing marks the end of an era, but his contributions to Indian industry, philanthropy, and society will continue to inspire future generations.

Relevance: GS Prelims

Source: The Hindu

## 2. Succession After Ratan Tata's Passing

### Leadership Uncertainty

Following Ratan Tata's death, the assumption is that his half-brother Noel Tata will take control of the Tata Group. However, no clear successor has been named, and Ratan did not personally own shares in Tata Sons that could be inherited. Unlike typical family-owned businesses, Tata Sons is largely controlled by two charitable trusts: the Sir Ratanji Tata Trust and the Sir Dorabji Tata Trust, which own a significant majority stake in Tata Sons.



### Role of Tata Trusts

The Tata Trusts hold controlling power over the group, as they have the right to nominate one-third of Tata Sons' directors and influence key decisions. Whoever leads these trusts will indirectly control the group's future. Currently, businessman Venu Srinivasan and former Defence Secretary Vijay Singh are vice-chairpersons of the trusts, with Noel Tata also a trustee.

### Potential Successors

**Noel Tata:** Strong Contender Noel Tata, currently chairperson of several Tata companies like Trent and Voltas, is seen as a strong contender due to his role as a trustee in the Sir Ratanji Tata Trust and Sir Dorabji Tata Trust. His appointment as a trustee in recent years suggests he is a favored candidate to lead the trusts.

**Mehli Mistry:** A Close Associate Another potential successor is Mehli Mistry, a close associate of Ratan Tata and a director of the M Pallonji Group. Despite being a cousin of the late Cyrus Mistry, corporate sources indicate that Mehli is a possible contender for leadership.

**A Dark Horse?** There is speculation that a less prominent candidate could emerge to lead the trusts, as the Tata Group needs a strong leader to navigate the challenges of the global economic downturn and domestic issues.

## Challenges for the Future

### Group Structure and Cohesion

The Tata Group's decentralized structure, with each of the 26 publicly listed companies operating independently, requires strong leadership to ensure unity and cohesive direction. The group's market capitalization exceeds \$365 billion, and major companies like TCS, Tata Steel, and Tata Motors are crucial to its profitability and growth.

### Navigating Economic Headwinds

The new leader will face significant challenges, including steering Tata companies through global economic uncertainty and continuing to invest in innovation and growth. Tata Consultancy Services (TCS) remains the group's major profit driver, but sectors like steel and automobiles face stiffer challenges in the current economic climate.

The ultimate decision on Ratan Tata's successor will play a crucial role in the future of the Tata Group, influencing its leadership, strategy, and legacy.

Relevance: GS Prelims; Economics

Source: Indian Express

## 3. All about ASEAN and East Asia Summits, to be attended by PM Modi

### Introduction

Prime Minister Narendra attend edthe Association of Southeast Asian Nations (ASEAN) in Vientiane, the capital of Lao PDR, as part of this two-day visit to the country.

In a statement, the PM said, "This year we are marking a decade of our Act East Policy. I will join the ASEAN leaders to review progress in our Comprehensive Strategic Partnership and chart the future direction of our cooperation."

PM Modi also attended the East Asia Summit, adding it will "provide an opportunity to deliberate on the challenges to peace, stability and prosperity in the Indo-Pacific region."

The ASEAN grouping is one of the more successful examples of multinational organisations globally, with the 10 neighbouring countries leveraging their cultural and historical links for successful economic and political ties. Why is it a significant aspect of India's foreign policy in the region, especially in the backdrop of China's recent assertions here?

### First, what is ASEAN?

On August 8, 1967, five Southeast Asian leaders – the Foreign Ministers of Indonesia, Malaysia, the Philippines, Singapore and Thailand – came together in Bangkok. Thailand was brokering some disputes among Malaysia, Indonesia and the Philippines, and the event eventually led to the signing of a document.

"The five Foreign Ministers who signed it – Adam Malik of Indonesia, Narciso R. Ramos of the Philippines, Tun Abdul Razak of Malaysia, S. Rajaratnam of Singapore, and Thanat Khoman of

Thailand – would subsequently be hailed as the Founding Fathers of probably the most successful inter-governmental organisation in the developing world today. And the document that they signed would be known as the ASEAN Declaration,” the ASEAN website states.



The ASEAN Declaration conveyed the aspiration to further regional cooperation in economic, social, cultural, technical, educational and other fields. Promoting regional peace and stability was another major goal. It stipulated that the Association would be open for participation by all States in the Southeast Asian region subscribing to its aims, principles and purposes.

Over the next few decades, five others joined – Brunei Darussalam, Lao PDR, Cambodia, Myanmar and Vietnam. The 10-nation grouping has an anthem, a flag and biannual summits (twice a year) with a rotating chairmanship. An example of the focus on unity, its official motto is "One Vision, One Identity, One Community". Its major pillars are Political-Security Community (APSC), Economic Community (AEC) and Socio-Cultural Community (ASCC).

### **What is India's link with ASEAN?**

ASEAN is central to India's 'Act East' policy, which focuses on the extended neighbourhood in the Asia-Pacific region. It was formulated as the next step to the 'Look East' Policy which originated in the 1990s.

In a world without the USSR, which India had close historical ties with, India sought to deepen its relations with other countries, like those in Southeast Asia. Northeast Indian states, due to their proximity to Southeast Asia, were to be instrumental in this.

The policy was originally conceived as an economic initiative, with many Southeast Asian countries having seen rapid economic growth in the last few decades. For instance, Brunei, which PM Modi visited earlier this year, is one of the largest oil and gas producers in the region. The India-ASEAN relationship subsequently gained political, strategic and cultural dimensions, including the establishment of institutional mechanisms for dialogue and cooperation. India is part of the ASEAN Plus Six grouping, which includes China, Japan, South Korea, New Zealand and Australia.

In 2010, a Free Trade Agreement was also signed and entered into force between India and ASEAN. While India was part of negotiations to join the Regional Comprehensive Economic Partnership (RCEP) in 2020, it ultimately decided not to do so. In recent years, trade has grown in terms of value, barring the pandemic years of 2020 and 2021.

### **And what is the East Asia Summit?**

The East Asia Summit (EAS) process was initiated in 2005 with 16 participating countries, namely the ASEAN Member States, Australia, China, India, Japan, New Zealand, and the Republic of Korea. The United States and the Russian Federation joined later on.

It refers to the Meeting of Heads of State/Governments of these countries and is convened annually.

### **What is ASEAN's significance with the rise of China?**

Speaking at the 20th ASEAN-India summit in Jakarta, Indonesia's capital, the Prime Minister said in 2023 that ASEAN was the "central pillar" of India's Act East Policy and India fully supported the group's centrality and outlook on the Indo-Pacific.

India's emphasis on the region's geopolitics matters in the context of China's ascendancy in world affairs in recent years. Under President Xi Jinping, it has also taken a more authoritarian turn. China's economic stature gives it heft, allowing it to fund several infrastructure projects and provide loans to other countries. These projects have been viewed with some suspicion for leading to "debt traps", where a failure to repay the loans leads to Chinese control over strategic national assets.

Further, cooperation has also been affected by China's claims over the South China Sea (many of which compete with claims of ASEAN members like the Philippines and Brunei) and the issue of military conflict in its member country, Myanmar.

ASEAN has attempted to remain separate from the larger geopolitical rivalry in the Indo-Pacific at times. After the 2023 summit, India's Former Ambassador to ASEAN, Ambassador Gurjit Singh, wrote "China remains the major challenge for ASEAN, in particular, with regard to big-power rivalry in the region. Its (ASEAN's) call for peace and prosperity is a muted way of saying that the US and China will not exhibit their rivalry in the region."

In this context, India has attempted to provide an alternative and deepen its relationship. PM Modi also said in a statement, "We share close cultural and civilisational ties with the region, including with Lao PDR, which are enriched by shared heritage of Buddhism and Ramayana. I look forward to my meetings with the Lao PDR leadership to further strengthen our bilateral ties. I am confident that this visit will further deepen our engagement with ASEAN countries."

Relevance: GS Prelims & Mains Paper II; International Organisations

Source: Indian Express