

THE CENTRAL BANK ALSO RAISED INFLATION PROJECTION FOR FY27 TO 5.1%, FROM 4.6% EARLIER

RBI trims FY27 growth forecast to 6.6%

'Average crude oil prices in F27 may be substantially higher than the \$85/barrel the RBI had assumed'

George Mathew, Akash Mandal & Siddharth Upasani
Mumbai/New Delhi, June 5

THE RESERVE Bank of India (RBI) on Friday cut its GDP (gross domestic product) growth forecast for the current financial year to 6.6% from 6.9%, and raised the inflation projection to 5.1% from 4.6%, cautioning that elevated energy prices and global supply constraints were having "adverse spillovers" on economic activity.

And while domestic demand remains resilient, "there are energy incipient signs of moderation in some sectors", Governor Sanjay Malhotra said.

He added that there are indications that average crude oil prices in 2026-27 would be "substantially higher" than the \$85 per barrel the central bank had assumed in its forecasts in April.

As per the new forecast, growth is seen at 6.6% in April-June 2026, 6.3% in July-September 2026, 6.5% in October-December 2026, and 6.8% in January-March 2027.

Back in April, the central bank expected the country's GDP to increase by 6.8%, 6.7%, 7%, and 7.2% in the four quarters of 2026-27.

Meanwhile, the quarterly average inflation forecasts, as measured by the Consumer Price Index (CPI), have been revised from 4%, 4.4%, 5.2%, and 4.7% to 4.2% in April-June 2026, 5.1% in July-September 2026, 5.9% in October-December 2026, and 5.4% in January-March 2027. The RBI is mandated to target a CPI inflation of

4% in the medium-term in a range of 2-6%. The new forecasts show inflation reaching the upper bound of the RBI's target range towards the end of 2026, with Malhotra saying the impact of the energy price shock is seen waning thereafter.

The core inflation forecast for the current year has also been increased to 4.7% from 4.4%. Core inflation is a measure of inflation that does not include food and fuel items, whose prices can be volatile. As such, it is seen as an indicator of underlying demand in the economy.

The revised macroeconomic forecasts of the RBI were announced by Malhotra while detailing the Monetary Policy Committee's (MPC) interest rate decision. The governor said that the global environment has deteriorated since the last policy meeting with the conflict lingering amidst a fragile truce.

"The adverse implications of the extended disruption in supply chains and elevated energy prices are reflected in the moderation of growth and increase in inflation projections from the April policy," he said.

Prices of several inputs such as commercial LPG, industrial raw materials, chemicals, base metals, rubber, and plastic products, among others, have increased. These could exert upward pressure on CPI inflation in the coming months as firms pass on higher input costs," he said. Generalisation of inflation through second-round effects on expectations and wages is a



The RBI is mandated to target a CPI inflation of 4% in the medium-term in a range of 2-6%. REUTERS

distinct possibility, warranting a close vigil. "The outlook also remains clouded due to the sub-normal south-west monsoon forecast and El Niño risks. Elevated energy prices coupled with global supply constraints are having adverse spillovers on economic activity," he said.

Global economic outlook remains clouded by the continuing geopolitical impasse in West Asia, as sharply escalating energy prices and global supply chain disruptions continue to hinder economic activity.

Faced with difficult trade-offs, monetary policy has turned more cautious, he said.

The rupee, which has fallen over 5% since March 2026 when the West Asia conflict started, gained 85 paise at 94.94 against the dollar on Friday following the latest RBI steps to boost in-

flows and the government move to cut capital gains tax and withholding tax. Malhotra said the RBI will continue to curb excessive volatility and prevent disorderly movements in the foreign exchange market, while emphasising that its objective is not to resist market-driven adjustments.

The Governor's statement comes after the rupee nearly touched the 97 mark last month, while the central bank's foreign exchange reserves declined by nearly \$46 billion as it intervened in the currency market to stabilise the rupee.

Reiterating that the RBI's exchange rate policy remains unchanged, Malhotra said the central bank does not target any specific level or band for the rupee and allows the currency's value to be determined by mar-

• PRICE PRESSURES

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ket forces. However, he noted that exchange rate movements can at times be influenced by speculative pressures and heightened uncertainty, leading to volatility that is not in line with underlying economic fundamentals.

"While our foreign exchange reserves provide a strong buffer against external shocks, we have a broad range of regulatory and market-based instruments to respond effectively as may be required," Malhotra said.

"In this regard, we remain vigilant and are fully prepared to do whatever it takes to preserve orderly market conditions." As on May 29, 2026, India's foreign exchange reserves stood at \$682.3 billion, adequate in terms of the standard metrics of reserve adequacy including import cover of about 11 months.

India can return to 7% growth path in FY28, says CEA

New Delhi: Macro stability and supply measures can bring back India on a 7% growth trajectory in FY28, Chief Economic Adviser (CEA) V Anantha Nageswaran said on Friday, asserting that the growth is contingent on improvement in external conditions.

"We have no reason to second-guess them (RBI forecast) at this point, because there are both possibilities on the upside and on the downside with respect to the numbers that they have presented," he said here.

"So, even if the growth were to slip below 7% as the RBI forecast suggests...macro stability measures and supply assurances will bring us back to a 7% plus growth track in FY28 or as soon as external conditions improve," he added.

He further said it is a hope based on the assumption that the pre-February 28 condition is restored before FY28.

"Now, if these conditions continue, then we will revisit the estimate for the next financial year," he added. Talking about nominal GDP, he said, it is a fair estimate that it will overshoot the 10.1% estimated in the Budget 2027, given the rising inflation. "The good news is that the nominal GDP growth will be much higher than the number which the budget estimates used, which is 10.1% for the current financial year," he said. On the overall trade deficit, he said it widened in FY26, and a similar trend with potentially wider deficits is possible in FY27. PTI

GDP growth estimated at 7.7% in 2025-26: govt.

Provisional estimates are slightly higher than the 7.6% growth projected in February; growth in Q4 stands at 7.8%; PM Modi says the figures show the success of reforms and the hard work of Indians

T.C.A. Sharad Raghavan
NEW DELHI

The growth in India's gross domestic product (GDP) has been estimated at 7.7% in 2025-26, according to data released by the government on Friday, compared with 7.1% in the previous financial year of 2024-25. GDP growth in the fourth quarter of 2025-26 stood at 7.8%.

According to the data released by the Ministry of Statistics and Programme Implementation, the provisional estimates of GDP growth in 2025-26 are slightly higher than the 7.6% growth estimated in February 2026.

The data comes at a time when Reserve Bank of India (RBI) Governor Sanjay Malhotra, while an-

Stronger estimate

India's GDP is estimated to grow by 7.7% in 2025-26, slightly faster than the 7.6% estimated in February 2026. In the chart below, the bars show annual GDP estimates (in ₹ lakh crore) and the circles indicate growth rates at constant prices (in %).



Figures for FY25 and FY26 are First Revised Estimate (FRE) and Provisional Estimate (PE) respectively.

nouncing the Monetary Policy Committee's decisions, said that GDP growth for 2026-27 was expected to slow to 6.6%.

In the press conference on the GDP data, Chief Economic Advisor V. Anantha Nageswaran said that

the RBI's assessment on growth and inflation "seems fair estimates" and that he didn't see the need to second-guess them.

"GDP growth rate of 7.7% in FY 2025-26 and 7.8% in Q4 of FY 2025-26 reflect the inherent

strength of our economy, the success of reforms and the hard work of 140 crore Indians," Prime Minister Narendra Modi said on X following the data release. "We shall leave no stone unturned to further 'Ease of Living,' 'Ease of Doing Business' and increase opportunities for our youth."

Finance Minister Nirmala Sitharaman, on X, emphasised that manufacturing, trade, repair, hotels, transport, communication & services related to broadcasting, storage and financial, real estate and professional services sectors hit double-digit growth at both constant and current prices in 2025-26.

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NO LTCG TAX ON FIIS

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GDP growth estimated at 7.7% in 2025-26: data

Earlier this year, the government also updated the base year of the GDP data to 2022-23 and improved its methodology.

The data shows that the manufacturing sector is estimated to have grown at 10.7% in 2025-26 as compared to 9.3% in the first revised estimates for 2024-25. However, in Q4 of 2025-26, the sector grew at 7.3%, as opposed to 11.8% in the same quarter of the previous year. The “trade, repair, hotels, transport, communication & services related to broadcasting and storage” sector similarly saw its growth estimate quicken to 11% in 2025-26 from 6.6% in 2024-25. In Q4, the sector accelerated to 12.4% from 6.3% in Q4 of 2024-25. The agriculture sector, however, is expected to see growth slowing to 3% in 2025-26 from 4.2% in the previous year, with growth in Q4 slowing to 3.6% from 3.8% in the fourth quarter of 2024-25.

The data also shows that the growth of private final consumption expenditure is estimated to have quickened to 7.7% in 2025-26 from 5.8% in the previous year. Asset creation and investment, in the form of gross fixed capital formation, is also estimated to have grown 8.2% in 2025-26 from 6.4% in 2024-25.

FII's HOLD Rs 3.75 LAKH CRORE, OR 3.34%, OF Rs 112 LAKH CRORE GOVT DEBT

To draw funds, prop rupee, Govt scraps FII capital gains, withholding tax on bonds

Re under pressure, BoP deficit likely to be around \$50-60 bn, move expected to result in good foreign fund inflows

Siddharth Upasani
New Delhi, June 5

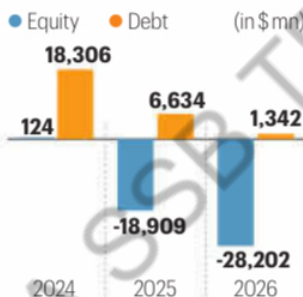
AMID PRESSURE to attract foreign funds and also stabilise the rupee, the Centre on Friday scrapped the capital gains tax, both long-term and short-term, on investment by Foreign Institutional Investors (FIIs) in government bonds as well as the withholding tax they must pay on their interest income from these debt instruments. At present, FIIs pay 12.5% tax on long-term capital gains, 30% on short-term capital gains, and around 20% withholding tax on interest income.

The decision, taken after at least two months of internal discussions, is expected to bring tens of billions of dollars in foreign fund into government debt over the coming years, and bridge to some extent the looming balance of payments (BoP) deficit that economists estimate could even touch \$60 billion in 2026-27.

In an ordinance promulgated to amend the Income Tax Act, 2025, after President

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Foreign investment in debt positive, but falling



NOTE: FPI INVESTMENT IN DEBT INCLUDES GENERAL, VOLUNTARY RETENTION, AND FULLY ACCESSIBLE ROUTES; SOURCE: NSDL

E. EXPLAINED

Addressing concerns

To assuage global investors, the government and the RBI have in unison announced a string of decisions to attract foreign money. In the last couple of years, heavy pull-out by FPIs from equities and poor net FDI inflows have exerted pressure on the rupee.

FY26 growth estimate raised to 7.7 per cent; momentum strong: PM

Siddharth Upasani
New Delhi, June 5

THE INDIAN economy ended 2025-26 on an unexpectedly strong note, with the GDP estimated to have grown 7.7% on the back of higher growth in investments, the Ministry of Statistics and Programme Implementation (MoSPI) said on Friday.

GDP growth in the last quarter of the year, or January-March 2026, declined slightly to 7.8% from 8% in October-December 2025 — revised upwards from 7.8% — despite the West Asia war overlapping with the final month.

Marginal revisions were also made to the GDP growth

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RBI eases norms for PSUs, banks to get foreign fund inflows

George Mathew
Mumbai, June 5

TO ENCOURAGE foreign capital inflows, the Reserve Bank of India on Friday eased norms for state-owned enterprises to borrow overseas and for banks to mobilise foreign current deposits. The move complements the government's decision to

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RBI Governor Sanjay Malhotra in Mumbai, Friday. PTI

FII capital gains, withholding tax

Droupadi Murmu gave her assent, the government said the changes will come into effect from April 1, 2026. FII investment in government bonds stands at Rs 3.75 lakh crore, or just 3.34% of the available amount of Rs 112.42 lakh crore, under the so-called General Route and Fully Accessible Route (FAR). These are the two ways in which foreign investors invest in Indian government securities.

According to Axis Bank economists, no tax on FII investment in government debt could lead to \$45-50 billion inflows over two years.

A BoP deficit exerts pressure on the rupee to weaken. While the rupee has gained some ground since nearly breaching the 97-per-dollar mark last month, it is down 5% since the war began on February 27 and has slumped 10.3% in the last one year. After closing at 95.79 per dollar on Thursday, it ended sharply higher at 94.94 on Friday. Meanwhile, yields on government bonds declined.

The tax exemption on "any interest on Government security, and any capital gains arising

from the sale, exchange or transfer of such Government security" applies to FIIs as well as the Bank for International Settlements. The BIS is an organisation of central banks from around the world. It is yet to invest in India.

Until now, while foreign investors had to pay a long-term capital gains tax of 12.5% on listed stocks and bonds that they hold for more than 12 months, they also had to pay a withholding tax – akin to a tax deducted at source – on interest income from their holding of bonds. Non-residents paid a withholding tax of about 20% on their interest income from government bonds – one of the highest in the world – after a concessional rate of 5% ended in 2023. The tax on short-term capital gains was 30%.

Investors from countries with which India has double taxation avoidance agreements pay lower rates. Meanwhile, investors who don't have an Indian tax residency are at a further disadvantage because the withholding tax must be paid on the gross amount and losses can't be set off against past gains.

The Indian Express had reported on May 15 the government and the Reserve Bank of India were considering multiple measures to attract foreign investment inflows, including a cut in the withholding tax rate on government bonds, if not completely eliminating it.

Timing with tax elimination, the RBI too said Friday it was "expanding the universe" of government securities that fall in the so-called Fully Accessible Route (FAR) to include all new issuances of 15-, 30- and 40-year bonds.

"In addition, limits pertaining to short-term investment, concentration and individual securities on FPI investment under the General Route are being removed. These measures along with the tax benefits provided by the government this morning should help attract foreign capital for government borrowing," Governor Sanjay Malhotra said while announcing a raft of other measures to boost foreign inflows into the country. While he did not specify how much foreign money could come into India because of the steps that have been taken, he

amount would do so.

"The combined impact of these could help bridge the \$40-50 billion gap in the Balance of Payments that we had estimated for FY27. We see an appreciation bias likely for the rupee over the coming months as the actual flows on account of these measures start trickling in," Sakshi Gupta, Chief Economist at HDFC Bank, said.

Experts have long warned that the withholding tax is an obstacle to stronger foreign inflows, with Ananth Narayan, former Whole Time Member at the Securities and Exchange Board of India, saying last month the tax is the source of a lot of "friction". "I am not saying that if you solve this tomorrow, money will come in. But this is definitely a barrier for money to come into the country," he had said.

As such, the removal of the two taxes on Indian government bonds could boost inflows at a time when Foreign Portfolio Investors (FPIs) have pulled out \$28 billion from Indian stock markets so far in 2026.

"The whole world is fixated on foreign portfolio flows into equities, but FPI debt inflows are not insignificant," DSP Mutual Fund said on Thursday.

MPC retains repo rate, lowers growth forecast

Repo rate unchanged at 5.25%; real GDP growth projected at 6.6%, down by 0.3% from the earlier projection of 6.9% for FY27; CPI inflation projected to be at 5.1% 50 bps more than the earlier one

Lalatendu Mishra
MUMBAI

The Monetary Policy Committee (MPC) of the Reserve Bank of India (RBI) on Friday voted unanimously to keep the policy repo rate under the liquidity adjustment facility (LAF) unchanged at 5.25%. Consequently, the standing deposit facility (SDF) rate remains at 5% and the marginal standing facility (MSF) rate and the bank rate at 5.50%.

The MPC also decided to continue with its neutral stance.

"The committee noted that the global environment has deteriorated since the last policy meeting with the conflict lingering amidst a fragile truce. The adverse implications of the extended disruption in supply chains and elevated energy prices are reflected in the moderation of growth and increase in inflation projections from the April policy," RBI Governor Sanjay Malhotra said in a statement.

Stating that CPI inflation remained below the target despite global shock as the pass through to domestic prices had been limited, he said baseline projections pointed towards headline inflation firming up towards the upper tolerance level in Q3 2026-27 and the impact of the supply shock would wane Q4 onwards.

"The underlying inflation pressures continue to remain benign at this juncture. However, generalisation of inflation through second-round effects on expectations and wages is a distinct possibility, warranting a close vigil. The outlook also remains clouded due to the sub-normal south-west monsoon forecast and El Niño risks," Mr. Malhotra said.

Gloomy outlook

Elevated energy prices coupled with global supply constraints are having adverse spillovers on economic activity, says MPC

- Domestic demand remains resilient, manufacturing and services sectors activity continue to expand
- Incipient signs of moderation in some sectors as suggested by high frequency indicators
- Considerable risks to baseline assessment of inflation and growth due to the uncertainty about the duration and intensity of West Asia conflict
- Food outlook uncertain on account of sub-normal south-west monsoon forecast and El Niño



Central bank announces host of measures to attract foreign capital

Lalatendu Mishra
MUMBAI

To attract foreign capital the RBI on Friday announced several measures. For government securities under the Fully Accessible Route (FAR), the RBI said it was expanding the universe of

'specified securities' by including all new issuances of 15, 30 and 40-year tenor G-secs.

Additionally, limits on short-term investments, concentration and individual securities on FPI investment under the General Route are being removed. "These

measures should help attract foreign capital for government borrowing," the RBI Governor said.

The RBI has also decided to increase the limits for investment by NRIs and OCIs in equity instruments traded on the stock market without SEBI registration.

As for growth, the MPC noted that elevated energy prices coupled with global supply constraints are having adverse spillovers on economic activity.

"While domestic demand remains resilient and manufacturing and services sectors activity continue to expand, there are incipient signs of moderation in some sectors as suggested by high frequency indicators," he stated.

He said the MPC was of the opinion that there were considerable risks to the baseline assessment of inflation and growth due to the uncertainty about the duration and intensity of the conflict, magnitude of its spillover effects, and the

pace of restoration of supply chains. "Additionally, the food outlook remains uncertain on account of the sub-normal south-west monsoon forecast and El Niño. Although risks of higher inflation have amplified, the MPC felt it would be prudent to wait for greater clarity to emerge," he said.

Stating that overall, the economic situation had broadly exhibited resilience and withstood the conflict spillovers, he said the impact of cost pressure was becoming visible.

"The rise in prices of energy and other inputs, coupled with supply disruptions, is likely to weigh on economic activity.

While import diversification in affected commodities is likely to improve supply, it would come at a higher cost," he said.

"The full impact, however, will depend on the duration of the conflict, time taken for normalisation of supply chains and the burden-sharing approach among the stakeholders," he added.

Real GDP growth for 2026-27 is projected at 6.6% down from earlier projection of 6.9% with Q1 at 6.6%; Q2 at 6.3%; Q3 at 6.5%; and Q4 at 6.8%.

CPI inflation for 2026-27 is projected to be at 5.1% which is 50 basis points more than the earlier projection.

Great Nicobar project to benefit Adani, not defence: Rahul

The Hindu Bureau
NEW DELHI

Leader of the Opposition in Lok Sabha Rahul Gandhi on Friday alleged that the BJP's claim that the Great Nicobar Island project is a strategic one is a "lie", aimed at helping industrialist Gautam Adani.

On World Environment Day, Mr. Gandhi launched an online petition, inviting citizens to join the campaign which read: "We choose green over greed."

Releasing a 16-minute video based on his visit to the Andaman and Nicobar Islands in April, Mr. Gandhi alleged that the Centre's proposed mega-development project in Great Nico-

bar would lead to large-scale ecological destruction and displacement of local communities while primarily serving private commercial interests. The project involves building a transshipment hub, an airport and a tourist township. "The Modi government tells you the Great Nicobar project is about defence. It is not," Mr. Gandhi said in the video, titled 'This is what Modi doesn't want you to see'.

He argued that if strategic considerations were paramount, the government should expand INS Baaz, the naval air station located on the Nicobar Islands, a move that the Congress would fully support.



In deep waters: Congress leader Rahul Gandhi scuba dives during a visit to the Andaman and Nicobar Islands on Friday. @INCINDIA

"The Navy has been asking for expansion for five years. If you want to make a military argument, expand INS Baaz. There is no need to destroy rainforests for that," he said.

"INS Baaz is also on the coast. The point is that they want to help Mr. Adani and these criminals are hiding behind the Navy, the forces, to steal Indian land. They are saying they

want to build a transshipment port, but it is a non-starter as they are already building a port in Kerala, which is on the mainland so that is the first lie."

'Ecology under threat'

Alleging the project was intended to facilitate large-scale commercial development, including hotels and casinos, he said more than 1.5 crore trees, ancient rainforests and coral reefs were under threat. And the size of the area being talked about is four times that of New Delhi.

In a post on X, Mr. Gandhi said he had visited Indira Point, interacted with settlers and tribal communities, and witnessed

the island's ecological richness first hand. He alleged that tribal communities were being deprived of their land in violation of the Forest Rights Act and that settlers were not receiving fair compensation.

"What kind of India do you want to inherit? One where rainforests have been bulldozed for casinos, coral reefs erased from maps, tribal communities pushed off land, and the air we breathe turned into poison? Or one where India's heritage is protected, tribal communities are safe, and progress works with nature not against it," he asked, urging youngsters to sign his online petition.

Three villagers killed, houses torched in Manipur; CM condemns attack

The Hindu Bureau

GUWAHATI

Unidentified gunmen killed three Kuki villagers, including a woman, and torched seven houses in Kangpokpi district of Manipur around 4 a.m. on Friday.

The Kuki Inpi Manipur (KIM), the apex body of the Kuki community in Manipur, accused members of the National Socialist Council of Nagalim (NSCN) and its “proxy”, the Kamson faction of the Zeliangrong United Front. The NSCN is also referred to as the Isak-Muivah faction of the National Socialist Council of Nagaland. The Naga groups have not yet reacted to the allegation.

“This reprehensible act of violence has resulted in the tragic killing of three



Security personnel stand guard in Imphal. PTI (IMAGE USED FOR REPRESENTATION PURPOSE)

innocent civilians – Letkhongam Haokip, his wife Tinmary Haokip, and Jangminlal Haokip – while seven houses were reduced to ashes and substantial damage was inflicted upon civilian properties,” the KIM stated in a statement condemning the attack.

“The deliberate killing

of innocent persons and the destruction of homes and livelihoods constitute a serious violation of human dignity and fundamental human rights. The deliberate targeting of civilians and the destruction of homes can never be justified under any circumstances,” it said.

Condemning the attack, the Kuki-Zo Council said that the continued atrocities against the Kuki-Zo people have reaffirmed the legitimacy of the demand for a separate administration.

Manipur Chief Minister Yumnam Khemchand Singh also condemned the “brutal” and “cowardly”

attack that resulted in the killing of three civilians. He also instructed the authorities to enhance security in vulnerable areas.

Friday’s attack came less than 24 hours after the All Naga Students’ Association, Manipur, launched a march from Ukhrul to a village in Kangpokpi district to meet the families of six Naga men who have been missing since three church leaders were killed on May 13.

Air Marshal Ashutosh Dixit to be next Vice-Chief of Air Staff

The Hindu Bureau

NEW DELHI

Air Marshal Ashutosh Dixit, a distinguished fighter pilot and test pilot, has been appointed the next Vice-Chief of the Air Staff (VCAS) and will assume office on July 1. He succeeds Air Marshal Nagesh Kapoor.

Currently serving as the Chief of Integrated Defence Staff (CISC), Air Marshal Dixit has played a pivotal role in enhancing jointness among the armed forces and advancing efforts towards the creation of integrated theatre commands.

His tenure has focused on improving coordination and operational synergy between the Army, Navy and Air Force.

An accomplished officer with extensive operational



Air Marshal Ashutosh Dixit

and leadership experience, Air Marshal Dixit has also been closely associated with the Indian Air Force's modernisation drive.

During various assignments at the Air headquarters, he contributed significantly to the promotion of indigenous fighter aircraft programmes and capability enhancement initiatives.

Commissioned into the fighter stream of the Indian Air Force on December 6, 1986, Air Marshal Dixit is an alumnus of the National Defence Academy, Khadakwasla, the Defence Services Staff College, Bangladesh, and the National Defence College, New Delhi.

Flying instructor

A qualified flying instructor and an experimental test pilot, he has accumulated more than 3,300 flying hours on over 20 types of aircraft, including the Mirage-2000, MiG-21 and Jaguar fighter jets.

During his distinguished career, he commanded a premier fighter training base under the Southern Air Command, which earned recognition as the best base in the command during his tenure.

Smart border project to have 4-layer security mechanism, says Shah

Syed Sajjad Ali

AGARTALA

Union Home Minister Amit Shah on Friday said the government's proposed technology-driven smart border project will have a four-layer security mechanism to effectively manage the country's borders.

Addressing Border Security Force (BSF) personnel at the Lankamura border outpost in Tripura, Mr. Shah said the government was creating a foolproof security grid along India's borders. He interacted with BSF personnel at the site where BSF Assistant Commandant Jeevan Kumar Sinha was killed in April 2005, leading to a prolonged exchange of gunfire between the BSF and the Bangladeshi paramilitary forces.

The Home Minister underlined the need to prevent human trafficking, cross-border smuggling of illegal arms, fake currency and narcotics. "To make India a 'viksit (developed)' nation by 2047, we have to stop the entry of fake notes, human trafficking and drug smuggling from across the borders," he said.



Home Minister Amit Shah addressing BSF personnel in Tripura on Friday. ANI

Mr. Shah cautioned against infiltration and demographic changes in Tripura, West Bengal and Bihar. He also announced plans for a smart border along the borders manned by the BSF and the Sashasthra Seema Bal.

"Smart borders will be introduced soon with a new security grid to include cutting-edge tech, local administration and border sentinels. The concept of smart border will be implemented in seven to eight places in the country as a pilot project," he said.

Mr. Shah arrived in Agartala on Thursday after chairing the plenary session of the North Eastern Council in Shillong.

(With inputs from PTI)

CJP founder Dipke lands in Delhi today, police prepare for protest

**Mahender Singh Manral
& Jatin Anand**

New Delhi, June 5

DELHI POLICE has issued a series of instructions to its personnel for the planned protest by supporters of the online satirical platform 'Cockroach Janta Party' (CJP) at Jantar Mantar on Saturday.

The 2,000-odd personnel who will be deployed in the New Delhi district have been directed to avoid confrontation with the protesters and to try to keep them calm through persuasion, sources said.

The district will be divided into 12 zones, each of which will be headed by a DCP-rank officer.

Police will step up deployment outside the homes of VIPs including Prime Minister Narendra Modi, Home Minister Amit Shah, and Education Minister Dharmendra Pradhan,

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Dipke

who has been targeted by the protesters.

Abhijeet Dipke, who started the 'Cockroach Janta Party' Instagram and X handles that became a phenomenon within days of their launch last month, is expected to arrive in Delhi from the United States on Saturday morning.

On Friday evening, spokespersons for the "youth pressure group" gave a call for a protest at Jantar Mantar to demand the resignation of Pradhan. "6 June, 9 am...Get ready to swarm the streets of Delhi with peaceful and loving dissent", they posted on X.

The Indian Express has learnt that police have issued an internal communication to all district and unit DCPs, alerting them of possible heavy mobilisation, traffic disruption and law-and-order issues in parts of the capital on Saturday.

Until Friday night, the CJP had not officially sought permission from the police to hold the protest at Jantar Mantar.

However, police were open to granting permission even on Saturday, sources said.

"There is a possibility that they will seek permission on Saturday morning, and it has been decided so far to give them permission after taking a proper undertaking. All districts, especially North, Central, Southeast, Southwest, have been asked to provide smooth facilitation to all students who are coming to join the protest," a source said.

Police officers have been told to carry out videography, photography and drone surveillance at protest sites, the sources said.

According to the CJP, Dipke, who has been in Boston, is expected to land in Delhi at 8 am, and travel from the airport to Parliament Street police station to seek permission for the protest. He is expected to be accompanied by his colleagues and activists including Sonam Wangchuk of Ladakh.

"On my way to India...Leaving my fate in the hands of the Constitution. #JaiBhim," Dipke posted on X on Friday morning.

In the evening, spokespersons for the group Saurav Das and Ashutosh Ranka issued a list

They asked participants to carry the Tricolour and a book, record the proceedings of the protest, and report miscreants to the police. They were told to offer flowers to police personnel, and to not engage with "trolls or provocateurs".

"Tomorrow, we reset the education system of this country...make sure that our voices can't be ignored anymore...we reclaim this democracy and this beautiful nation of ours," Ranka said.

Das invited people "of all political shades" to join the CJP's protest. "We appeal to you all to please keep this peaceful... Please do not gather at the airport... Please meet us directly at the Parliament Street police station," he said.

Ranka issued "a last appeal" to Prime Minister Narendra Modi asking him to remove Education Minister Pradhan. "Your education minister is incompetent, because of him our education system has been destroyed... We want to appeal to you directly: Modi ji, please sack Dharmendra Pradhan ji and restore our faith in democracy," he said.

The Minister has been under fire for a series of recent controversies, including the leak of the NEET-UG question paper and the chaos and confusion over the OSM system used in CBSE's Class 12 exam.

The Intelligence Unit of the Delhi Police expects some people from outside Delhi to participate in the protest. According to sources, police believe there could be student groups from Punjab, members of various student organisations, and leaders and workers of political parties among the protesters. "Information has been received that AAP workers are mobilising support on the ground, while student groups are encouraging participation," a source said.

According to this source, "The expected participants in the protest could include students, competitive exam aspirants, teachers, coaching centre affiliates and issue-based groups. Labour-linked organisations could also be present."

Meanwhile on Friday, the Delhi HC refused an urgent hearing to a petition filed by the Delhi-based trust Save India Foundation which sought restrictions on the gathering by the CJP. The petition, which was

Nepal Foreign Minister Shisir Khanal arrives in Delhi, meets National Security Adviser

Kallol Bhattacharjee

NEW DELHI

In a sign of Kathmandu's deepening security dialogue with India, Nepal Foreign Minister Shisir Khanal met National Security Adviser Ajit Doval on Friday.

Mr. Khanal is the first Minister from Prime Minister Balen Shah's Cabinet to visit India at an official level, since Nepal's new government was elected in March to replace the interim administration that had taken charge after the September 2025 Gen-Z uprising against former Prime Minister K.P. Sharma Oli's government.

"With Nepal, we have an expansive agenda, from development cooperation to people-to-people ties to



Shisir Khanal

trade and investment. All these ties will be discussed when the two Foreign Ministers meet. But on our side, we are keen to further strengthen this multifaceted partnership that we have with Nepal," said Ministry of External Affairs spokesperson Randhir Jaiswal, announcing Mr. Khanal's arrival at an official briefing.

Earlier, Nepal's Foreign

Affairs Ministry had said that Mr. Khanal's visit to India between June 5 and 7 would enhance cooperation "across key areas including trade, investment, connectivity, energy, and people-to-people ties". Mr. Khanal had met External Affairs Minister S. Jaishankar in Mauritius between April 10 and 12 on the sidelines of the Indian Ocean Conference.

The last Nepali Foreign Minister to visit India was Arzu Rana Deuba, who visited Delhi in August 2024 and then again in December that year to participate in a think tank event. The downfall of the Oli government had paused high-level diplomatic engagements while Nepal was governed by the interim arrangement.

'It's not your job to interfere in our country', Lebanon leader tells Iran

Tehran insists the fighting in Lebanon and the war in the Gulf are linked; Aoun urges Hezbollah to pursue diplomacy with Israel, stating that negotiation and dialogue are the only ways to resolve the conflict; six killed as Israel hits south Lebanon

Agence France-Presse
BEIRUT

Lebanese President Joseph Aoun urged Iran not to interfere in his country in an interview broadcast on Friday, also telling the Tehran-backed Hezbollah that diplomacy was the only solution to the conflict with Israel.

"It's not your country, it's our country... It's not your job to interfere into our country," Mr. Aoun said in the interview with CNN, addressing Iran's Revolutionary Guards.

"They are using Lebanon as a bargaining chip in their negotiation with the



Reclaiming space: UN peacekeepers and Lebanese soldiers at a road in Dibbine Village in southeast Lebanon on Friday. AP

United States. It's unacceptable," he said.

Hezbollah drew Lebanon into the West Asia war with rocket fire at Israel on March 2 to avenge the kill-

nese and Israeli envoys in Washington agreed to a truce which according to a statement is conditional on a "complete cessation" of Hezbollah fire, without mentioning a halt to Israeli attacks.

Tehran insists the fighting in Lebanon and the war in the Gulf are linked, and on Thursday the head of the Guards' foreign arm said Israel must pull back from its front lines in Lebanon.

"Hezbollah must understand that [there is] no other way but to sit and talk, no other way to solve this problem and to save what's left except through negotiation and diplomacy," Mr.

Aoun added.

"It's the Lebanese people, they are not Naim Qassem['] people," he said, referring to the Hezbollah chief, who on Thursday rejected the truce deal.

"The majority of the Lebanese people are fed up with war," the President added.

Meanwhile, Israel's air force struck different parts of southern Lebanon and killed six persons as the military issued evacuation warnings for nine villages, including one that has been spared much of the destruction and was sheltering thousands of people displaced by the three-month war.

Wider peace deal in doubt: Iran supports Hezbollah as Israel keeps up its strikes

Ahmed Elimam
& Jana Choukeir
Dubai, June 5

IRAN HAS reaffirmed support for its Lebanese ally Hezbollah and demanded that Israel withdraw from southern Lebanon, underscoring complications facing an interim deal to end the broader conflict between the US and Iran. Tehran has made a ceasefire between Israel and Hezbollah a condition for any peace deal with Washington to resolve the regional war, and restart shipping through the Strait of Hormuz.

"This war will end only when it ends in Lebanon as well," Iranian Foreign Minister Abbas Araghchi told Lebanese TV station AlMayadeen late Thursday.

"The end of the war on Lebanon must be accompanied by the withdrawal of Israeli forces from the territories they have occupied," he said. The comments came after Hezbollah leader Naim Qassem rejected a US-brokered pact between Israel and the Lebanese government to halt the fighting in Lebanon. The deal did not provide for an Israeli withdrawal and Hezbollah had not been party to the negotiations. Israel has kept up strikes in southern Lebanon, and has said its forces would not withdraw or halt operations in the country amid increasing friction with the US.

Hezbollah said Friday it had carried out two attacks on Israeli troops in south Lebanon, including near the recently captured Beaufort Castle.

Mohsen Rezaei, an adviser to Iran's supreme leader, said Hezbollah had "made great sacrifices in the recent war and it is our ally. Therefore, we support Hezbollah and remain firmly



Spanish UN peacekeepers in Dobbine village, southeast Lebanon. AP

IRAN USING LEBANON AS BARGAINING CHIP IN U.S. NEGOTIATIONS: PRESIDENT AOUN

LEBANESE PRESIDENT Joseph Aoun accused Iran of using Lebanon as a bargaining chip in its negotiations with the US Friday, in some of his toughest criticism yet of Tehran and its Lebanese ally Hezbollah as it wages war with Israel. In a CNN interview, Aoun said, "the people of Lebanon are paying the price ... for the sake" of Iran's interests, and were "fed up" with war between Israel and Hezbollah — comments reflecting deep divisions along Lebanon's

confessional and political fault-lines. "They are using Lebanon as a bargaining chip in their negotiation with the US," Aoun said of Iran, according to excerpts of the interview published on the CNN website. "It's unacceptable." Iran has made a Lebanon ceasefire a condition for any peace deal with Washington in the wider regional conflict that began with the US-Israeli attack on Tehran on February 28. On Thursday, Hezbollah rejected a ceasefire plan. **REUTERS**

committed to our obligations toward it."

In comments reported by the semi-official Mehr news agency, Rezaei said, "Today we again warn this sinister regime to leave Lebanon. They should know that Lebanon will be an inseparable part of any agreement and any ceasefire."

Lebanon's parliament speaker Nabih Berri said Friday he would agree to the withdrawal of the Iran-backed group from southern Lebanon if Israeli troops simultaneously left terri-

tory they occupy in the country.

On Friday, Iran's navy said it had fired warning shots at US destroyers in the Gulf of Oman to counter "maritime mischief and harassment and the hijacking of commercial vessels and oil tankers". Earlier, US forces said they had boarded an oil tanker in the Indian Ocean.

The US Central Command denied Iran's claims. "Iranian forces did NOT attack or fire at US Navy warships," Central Command said in a statement on X. **REUTERS**

U.S. sanctions Cuban President Miguel Diaz-Canel and Castro family members

Associated Press

WASHINGTON

The United States on Thursday imposed sanctions on Cuban President Miguel Diaz-Canel, his wife and three other individuals, in the latest move by the Trump administration to pressure the island's leadership that drew immediate condemnation from Havana.

Included in the sanctions are Alejandro Castro Espin, the sole son of former Cuban President Raul Castro and Vilma Espin. He served as an adviser to Cuba's Defence and National



Miguel Diaz-Canel

Security Commission and was present when Raul Castro greeted then-U.S. President Barack Obama in Havana during a 2016 meeting. Castro Espin's son, Raul Alejandro Castro Calis, also was listed.

The new penalties come as U.S. President Donald Trump has been threatening military action in Cuba since ousting Venezuelan leader Nicolas Maduro in January and then ordering an energy blockade that choked off fuel shipments

to Cuba. That has led to severe blackouts, food shortages and an economic collapse across the island.

The threats took on additional weight after the U.S. announced criminal charges against Raul Castro last month. Thursday's penalties, which follow Mr. Trump signing an execu-

tive order expanding sanctions against the island, freeze individuals' property and bank accounts in the U.S. But it's unclear how intertwined their finances are with the U.S. financial system.

Mr. Diaz-Canel accused Mr. Trump of making "new threatening statements against Cuba" and said "these measures are aimed at reinforcing the blockade and escalating the conflict between Cuba and the United States".

The new sanctions also apply to non-American entities that might do business with those listed.

Rubio fails to win India back for Washington

For nearly a year, strategic experts in India and the United States have warned that worsening bilateral ties could damage a partnership that former U.S. President Joe Biden called the most consequential of the 21st century. They argue that India remains central to America's Indo-Pacific strategy and indispensable to its competition with China in geopolitics, technology, and securing critical supply chains.

Warnings from think tanks, sense of betrayal
Think tanks have also been sounding the alarm. A March 2026 report by the Center for a New American Security, titled Repairing the Breach: Getting U.S.-India Ties Back on Track, said bilateral ties had "stumbled badly" in the second half of 2025. It cited U.S. President Donald Trump's claims about the May 2025 India-Pakistan ceasefire and his 50% tariffs on Indian exports as the key causes of the breach in trust, and recommended urgent steps to rebuild trust and deepen cooperation.

Similarly, the Hudson Institute's "New India Conference" underscored India's importance to U.S. interests and the Indo-Pacific balance of power. By featuring RSS General Secretary Dattatreya Hosabale, it also signalled a willingness to engage Hindu nationalist groups despite concerns over their treatment of religious minorities.

This anxiety is not confined to Washington's think tanks, but also in India too. During a visit to India in January 2026, discussions at academic and policy institutions, as well as engagements with experts, diplomats and Indian foreign policy scholars, pointed to a common concern: New Delhi had lost trust in Washington. The damage was seen as not merely diplomatic or transactional, but also strategic. Many Indian experts believed that even if both sides recognised the importance of the relationship, it would take a long time to repair the trust deficit.

Three indicators came to define the deterioration in relations. The first was the growing U.S.-Pakistan strategic partnership in the



Muqtedar Khan

Professor of International Relations at the University of Delaware, a Senior Non-Resident Fellow at the Middle East Policy Council and also host of a YouTube channel on global affairs called Khanversations

The U.S. Secretary of State's visit failed to bridge the widening U.S.-India divide

post-Operation Sindoor period. As India sought to isolate Pakistan internationally, Mr. Trump's repeated praise for Pakistani leaders and the country's role in mediating with Iran was widely seen in India as a betrayal.

The second indicator was trade. The 50% tariffs levied on India – among the highest imposed on any country – came as a shock to New Delhi. The 25% tariff penalty on India, imposed specifically for buying Russian oil, further reinforced the perception that India was being singled out and punished for no apparent reason. The third indicator was the neglect of the Quad (Australia, India, Japan and the U.S.). The absence of head-of-state summits, combined with the lack of visible enthusiasm around the Quad meetings, suggested that one of the central pillars of America's Indo-Pacific strategy had been downgraded. The Quad, and therefore India, were clearly less important to Mr. Trump's plans which now appear to be more focused on carving a more productive partnership with China.

The Rubio visit and after

U.S. Secretary of State Marco Rubio's visit to India (May 23-26, 2026) gave him a clear opportunity to address all three parameters. Unfortunately, there was hardly any progress on the pending trade deal. On top of that, Mr. Rubio essentially gaslit India by asserting in a tweet that India had committed to buying \$500 billion worth of American products over the next five years – a claim that Indian officials had disputed. The Quad Foreign Ministers' summit produced no major breakthrough and no clear announcement about when the heads of state would meet. Finally, when given an opportunity by the Indian press to criticise Pakistan for cross-border terrorism, Mr. Rubio instead chose to praise Pakistan's role in the Iran crisis.

He failed to take positions that would have reassured India that he had come to repair the relationship. Instead, the message he sent was that "America First" would be the only criterion determining U.S. choices, not any desire to repair

the U.S.-India strategic partnership.

The symbolism after Mr. Rubio's return to Washington only reinforced this conclusion. Just hours later, he participated in a public Cabinet meeting. When Mr. Trump asked him about Iran, Mr. Rubio spoke about Iran, Ebola, Cuba, Venezuela, and even his stopover in Armenia, which he described as highly successful. But he did not mention India, his meeting with Prime Minister Narendra Modi, or the Quad meeting. Mr. Trump did not ask about India either. This amnesia is astonishing – coming just hours after a visit to one of America's most important strategic partners. Nor did Mr. Trump use his social media platforms to highlight the Quad or stress the importance of repairing U.S.-India relations.

It is precisely such indicators that make policymakers in New Delhi nervous. They signal that India's strategic significance has diminished in Washington's eyes.

A partnership that still matters

There remain many strategic reasons for the U.S. and India to work together: keeping the Indo-Pacific open, sustaining a partnership between major democracies in an era of rising authoritarianism, and collaborating on technological innovation, artificial intelligence, semiconductors, defence, and energy security. These shared interests have not disappeared and may well bring the two countries back toward closer cooperation. But for now, India and the U.S. are not as closely aligned as they were a year and a half ago.

If Mr. Rubio's goal was to repair the perceived damage done to India-U.S. relations since Mr. Trump's election in 2024, he clearly failed. But if his mission was to reinforce that American foreign policy will be driven by whatever Mr. Trump defines as "America First" on any given day, then perhaps he succeeded – making clear that American national interests are now shaped less by careful strategic thinking and more by the unpredictable thought process of President Trump.

Pressure to limit India-Russia ties will hurt global stability, says Putin

Russian President **calls India a reliable partner**, says a 'large economy' like India will prioritise national interests; New Delhi's relations with U.S. will not cause friction, he says; points out that it is 'not a good idea' to interfere in 'delicate' India-China ties

Press Trust of India
ST. PETERSBURG

Western pressure on Prime Minister Narendra Modi to scale back India's engagement with Russia will harm global stability, Russian President Vladimir Putin said late on Thursday at a press conference.

"Everyone has understood that putting pressure on Prime Minister Narendra Modi (and India) that has the largest population in the world, is detrimental for international relations and for bilateral relations. It doesn't matter where this pressure comes from," he said.

Calling India a "reliable" strategic partner, Mr. Putin said India's growth has not "come out of the blue" but was an outcome of the hard work done under Mr. Modi's leadership.

The remarks came against the backdrop of Western capitals expressing unease over India-Russia relations and the oil trade amid the Ukraine war.

The U.S., for instance, has been asking India to stop importing Russian crude oil and had slapped punitive tariffs.



Vladimir Putin had met Narendra Modi during a visit to New Delhi for a bilateral summit in December 2025. R.V. MOORTHY

But Mr. Putin said New Delhi will prioritise its national interests and added that India's engagement with the U.S. does not affect its strategic ties with Russia.

"I don't think this is a case. We are glad that India is developing its relations with all the countries, it's a great country, a large economy, the largest democracy, it is only natural that it develops its economy in accordance with its inter-

est with those countries that it deems necessary," Mr. Putin said when asked whether India's alignment with Washington creates structural friction for Russia.

No interference

Last September, in the wake of U.S. President Donald Trump's tariff war, a photo of Mr. Modi, Mr. Putin and Chinese President Xi Jinping from the SCO Summit in Tianjin grabbed

Russian President says he does not believe Pak. is under the control of China

the global spotlight. Mr. Putin, who is set to visit India in September for the BRICS summit, said Moscow will not interfere in the "delicate" bilateral relations between India and China.

The Russian President, who called Mr. Xi his "old friend", said, "This is a delicate, multi-faceted relationship between India and China, and interfering into them is not a good idea. Of course, we interact with both our friends... President Xi and Prime Minister Modi are both trying to resolve all the issues of mutual interest, including the border issue."

Highlighting Moscow's strategic equilibrium in Asia, President Putin characterised Russia's ties with India and China as having evolved organically. He stressed that Moscow's growing synergy with New Delhi does not come at Beijing's expense, just as Russia's deep alliance with China does not compromise its bond with India.

"Russia has established these relations (with India and China). It was happening naturally. Relations between Russia and India do not disturb China, our relations with China do not disturb India," he said.

Mr. Putin also touched upon the ties between India and Pakistan. "We are well aware of the intricacies of the issues concerning the border between India and Pakistan," he said, adding that he does not believe Pakistan was under the control of China.

Su-57 on offer

The President also offered Russia's fifth-generation stealth aircraft Su-57 to India and suggested that the combat jet could be jointly built in India.

"As for the Su-57, we offered our friends from India to jointly develop this machine, a fifth-generation aircraft. I think it's the best to date. But our Indian friends said, 'well, let's see,'" he said.

"In principle, this could have been our (Russia-India) product. We made it independently. And we are ready to work with India. To work and develop. There will be no restrictions whatsoever," he said.