After SC refusal to halt CJP march, police seek quashing of FIRs against protesters

Krishnadas Rajagopal
NEW DELHI

Within hours of the Supreme Court refusing on Monday to halt a protest march announced by the Cockroach Janta Party (CJP) in central Delhi ahead of the BRICS Summit, the Delhi police moved an urgent plea to quash FIRs registered against students and youth who participated in the NEET-UG paper leak protests.

Days before the BRICS Summit on September 12-13, the CJP decided to hit the streets again on September 5, citing the Centre's failure to live up to its vows, including immediate withdrawal of FIRs against student protesters.

Earlier in the day, a three-judge Bench headed by Chief Justice of India Surya Kant found no "compelling circumstance" to interfere with CJP's plans for a protest march.


The Delhi police said it did not wish to pursue FIRs registered after the crackdown on July 20.

Hearing on Sept. 1

In the afternoon, as the Bench was preparing to rise for the day, Solicitor-General Tushar Mehta orally mentioned an application filed by the Delhi police urging the apex court to invoke Article 142 of the Constitution to quash the FIRs. Mr. Mehta pushed for a hearing on September 1 itself.

The Delhi police said it "no longer wished" to pursue the FIRs registered across police stations in central Delhi against students and protesters following the crackdown on July 20. These FIRs had arraigned charges of rioting, attempt to murder, and damage to public property against protesters.

The police expressed willingness to close any other FIRs that were not mentioned in the application. They sought the apex court's permission to file "fresh, specific" FIRs only against 2,873 individuals with criminal antecedents, who were reported to be present at the NEET-UG protest site.

Chief Justice Kant agreed to list the application on September 1, remarking, "If parties are reconciling, we have no difficulties."

The CJI Bench's refusal earlier in the day to intervene came in separate pleas filed by a retired Delhi Police officer, Rajender Singh, and another, who had objected to the announcement of the September 5 protest march.

Appearing for the petitioners, advocate Syed Rizwan Ahmed said to the best of his knowledge, the CJP had not sought permission from either the police or the courts; the decision to march had been announced on social media.

Navy Chief: *INS Nipun* will enhance our critical underwater capabilities

Amrita Nayak Dutta
New Delhi, August 31

INS NIPUN will significantly enhance the Navy's niche underwater capabilities required for multi-domain operations, Chief of Naval Staff Admiral Krishna Swaminathan said on Monday. He emphasised that this dedicated Diving Support and Submarine Rescue Vessel adds specialised capability for complex underwater operations and to respond to emergencies in one of the world's most "challenging and mysterious environments".

The Navy Chief was speaking at the commissioning ceremony of *INS Nipun* in Mumbai. Vice Admiral Sanjay Vatsayan, Flag Officer Commanding-in-Chief, Western Naval Command, other senior naval officers, representatives from Hindustan Shipyard Ltd., Visakhapatnam, among others, were present.

INS Nipun is the second Diving Support Vessel (DSV) of the Nistar Class and is a strong addition to the Navy's deep-sea diving and underwater support capabilities.

"We are living through a period of significant strategic churn. The maritime environment is becoming increasingly contested, and the threat perceptions are constantly evolving and morphing into newer forms," Admiral Swaminathan said.

Navy Chief Admiral Krishna Swaminathan, Vice Admiral Sanjay Vatsayan along with other officers during the commissioning ceremony of *INS Nipun* in Mumbai on Monday. ANI

He noted that while it may not always be possible to predict the exact nature of the threats India will face at any given time, it is critical to stay prepared for anticipated threats and build robust capabilities to tackle these challenges effectively, wherever they may arise.

He said the addition of this capability will enable the Western Naval Command to strengthen its capabilities to operate above, on, and beneath the waves.

Stating that the vessel brings together a range of capabilities possessed by only a handful of navies, which includes the ability to embark the Indian Navy's deep submergence rescue vessel, he said submarine rescue is a discipline where preparedness admits little margin for delay.

"*Nipun's* ability to embark and operate the Indian Navy's Deep Submergence Rescue Vessel significantly enhances our capacity to respond to a distressed submarine quite significantly — whether our own, or that of a partner Navy. This capability would also enable India to support submarine rescue and emerge as the 'preferred submarine rescue partner' in the region," he said.

He added that the vessel's specialised diving capabilities can support partner nations in underwater salvage and HADR missions, adding another dimension to the Navy's maritime cooperation efforts.

He said the Western Naval Command will now have to integrate *INS Nipun* fully into operational plans, exercise her capabilities rigorously, develop proficiency around her systems, and ensure that the ship is ready at the earliest for every task at sea.

INS Nipun is capable of supporting saturation, air and heliox diving and is equipped with remotely operated underwater systems for inspection and intervention. Its specialised diving complex, dynamic positioning capability and associated life-support and medical facilities enable the conduct of sustained and complex operations at sea.

Tata Advanced Systems to co-produce US Javelin missile system in India

Amrita Nayak Dutta
New Delhi, August 31

Under the MoU, a final assembly and integration facility for Javelin AUR will be set up in India, said a statement

TATA ADVANCED Systems Limited (TASL) will co-produce the Javelin anti-tank guided missile system with the Javelin Joint Venture (JJV) — a partnership between American companies Raytheon and Lockheed Martin — in India. In a joint statement on Monday, TASL and JJV announced that they had signed a memorandum of understanding (MoU).

The statement, which comes days after India finalised a deal to purchase the Javelin system from the United States, said TASL was selected by JJV as the prime partner for future in-country co-production efforts based on capability and expertise.

"Under the industry MoU, TASL and JJV will explore the establishment of a final assembly and integration facility for the Javelin AUR (All Up Round, meaning fully assembled) and component production capabilities in India," said the statement. The co-production effort will be beneficial for India-US partnership, creating, building and developing a strong defence workforce in India while sustaining American jobs in the domestic supply chain through multi-year production of sub-assembly kits at Lockheed Martin's facility in Alabama and guidance electronics units (GEU) at Raytheons Arizona facility, it said. The sub-assembly kits and GEUs will be shipped to India for final assembly and integration, it said.

"Partnering with TASL to establish a dedicated Javelin final assembly and integration facility in India is a pivotal step in ensuring a resilient supply chain for this critical anti-tank weapon system," said Rich Liccion, vice president, JJV, and programme director, Lockheed Martin Javelin. "This collaboration not only expands India's high-tech manufacturing capabilities but also reinforces a stronger, more stable security architecture across the Indo-Pacific region, enabling our partners around the world to respond swiftly to emerging threats," he said.

"We are pleased to partner with the JJV on this important next step in our long-standing relationship with Lockheed Martin and Raytheon," said Sukaran Singh, Chief Executive Officer & Managing Director, TASL. "This initiative brings critical assembly expertise and knowledge transfer into India's defence industrial ecosystem, while strengthening self-reliance. Local assembly of the Javelin All Up Round will enhance operational readiness and ensure timely access to proven, combat-ready capability for the Indian Armed Forces," he said.

The joint statement noted that the agreement would support future production of the Javelin system while providing unique opportunities for Indian industry and strengthening regional stability in the Indo-Pacific by ensuring a reliable, locally sourced supply of the Javelin weapon system, supporting faster fielding and sustained readiness for partner nations in the region.

It said the establishment of in-country co-production would strengthen India's defence industrial base by bringing final assembly and integration of the Javelin AUR to Indian facilities and suppliers, creating high-tech jobs, advancing local manufacturing expertise and supporting global supply chain resiliency due to increased worldwide demand.

The partnership demonstrates deeper strategic collaboration between the JJV and Indian partners, reinforcing interoperability and joint defence initiatives that align with broader Indo-Pacific partnership objectives, the statement said, adding that the larger volume from co-production can help the US government achieve economic order quantities, improving affordability and creating measurable cost-saving opportunities for programmes that support JJV production.

The JJV has produced over 55,000 Javelin missiles and over 12,000 reusable Command Launch Units so far.

In 2010, plans to procure the missile system could not go through as the US refused to share the missile's core seeker technology under a 100% transfer of technology model, causing India to pivot to Israel's Spike missile system in 2014.

A US Congressional Research Service report in 2012 subsequently noted that India turned down a proposed Javelin purchase that included a co-production offer, with issues surrounding US end-use monitoring and technology transfer being among the complications.

India rejects Hague court's Indus Waters Treaty ruling, says it has no jurisdiction

Kallol Bhattacherjee
NEW DELHI

Hours after the Permanent Court of Arbitration at The Hague said the Indus Waters Treaty remains "fully in force" and called on India to "observe its obligations", the External Affairs Ministry rejected this, saying that the "very establishment of this alleged arbitral body" was a "grave violation" of the treaty.

"This so-called Court was constituted by the World Bank in patent breach of the terms of the Treaty, and India categorically rejects its so-called award," the Ministry said on Monday.

It went on to say that India had "never recognised the existence in law of this illegally-constituted and so-called Court of Arbitration, and has consistently maintained that the very establishment of this alleged arbitral body constitutes a grave violation of the Indus Waters Treaty".

"Accordingly, India has never appeared before this body and has refused to take any cognisance of its earlier pronouncements," the Ministry said.

India had placed the treaty in abeyance following the Pahalgam terror attack.

India had placed the Indus Waters Treaty "in abeyance" following the Pahalgam terror attack on April 22, 2025, and the Ministry, in its response on Monday, reiterated its position. "India's decision to hold the Indus Waters Treaty in abeyance remains in force," it said.

The Ministry also said that "this so-called Court of Arbitration has no jurisdiction whatsoever to pronounce on India's sovereign decisions".

It added that the court's pronouncements, "now or in the future, will have no effect on India's actions in connection with the projects being undertaken by India".

Earlier, the arbitration body, considering Pakistan's plea, examined the reasons under which India placed the treaty "in abeyance" and said that "none of these grounds could justify suspension or termination of the Treaty".

Issuing an "award" on the 'Status of the Indus Waters Treaty and Order on Interim Measures concerning the Ratle Hydro-Electric Plant (RHEP)', the Permanent Court of Arbitration said, "Accordingly, the Indus Waters Treaty remains fully in force, and India must observe its obligations under the Treaty, including those relating to the design and operation of its hydro-electric projects on the Western Rivers."

It had also considered Pakistan's plea on imposing measures on India regarding the RHEP, saying, "In a unanimous decision, the Court decided to impose measures prohibiting India from concreting the RHEP dam wall and power intake structure above certain levels until 90 days after the Neutral Expert's final decision, which is expected in July 2027."

The Court of Arbitration is chaired by Prof. Sean D. Murphy of the U.S.

Ensure peace, freedom of navigation, PM urges Iran

Modi meets Iran President on sidelines of SCO summit, calls for stability in West Asia; Pezeshkian requests India to use its 'extensive contacts' to help with the dialogue process, blames U.S. for war

Kallol Bhattacherjee
NEW DELHI

In the first top-level meeting between Iran and India since the beginning of the war on Iran in February, Prime Minister Narendra Modi on Monday met Iranian President Masoud Pezeshkian in Kyrgyzstan's Bishkek and urged him to ensure peace and stability in West Asia and freedom of navigation in the Strait of Hormuz.

Strategic meet: Prime Minister Narendra Modi with Iran President Masoud Pezeshkian in Bishkek, Kyrgyzstan, on Monday. PTI

Mr. Pezeshkian blamed Israel and the U.S. for the conflict and requested Mr. Modi to "use India's extensive contacts with various parties" and help the dialogue process.

After the meeting that took place on the sidelines of the SCO summit, Mr. Modi said on X, "Reiterated our commitment to strengthening India's longstanding friendship with Iran across diverse sectors. We want to expand and diversify our trade basket in the times to come. We had a discussion on the prevailing situation in the region. India will continue to support all efforts aimed at ensuring lasting peace." The Ministry of External Affairs said Mr. Modi called for freedom of navigation and commerce.

"Civilians and civilian infrastructure, including commercial shipping and seafarers must not be harmed under any circumstances," he said.

Mr. Modi said he looked forward to welcoming Mr. Pezeshkian to India for the upcoming BRICS summit.

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PM MEETS PUTIN
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U .S., Iran trade strikes for first time in weeks

TEHRAN

U.S. President Donald Trump threatened to hit Iran "hard" after the two countries traded fire for the first time in over a month. Late on Sunday, the U.S. said it had carried out strikes on an Iranian island, with Tehran quickly retaliating by attacking U.S. military targets in West Asia. » PAGE 14

Ensure peace, freedom of navigation: PM to Iran

President Pezeshkian said his country had a "responsibility" to defend the Iranian people "from danger and insecurity and to create conditions necessary for them to achieve peace, tranquillity and security". He said Iran was "focused on ensuring peace and security and resolving issues through dialogue and negotiations."

Mr. Pezeshkian blamed Israel and the U.S. for creating "restrictions and obstacles" before Iran and said that "despite the pressures and restrictions being imposed in an attempt to obstruct Iran's relations with other countries, Tehran is ready to expand its cooperation with India".

He referred to the ceasefire and said, "The Islamic Republic of Iran has remained committed to the obligations it has undertaken within the framework of the agreements, but unfortunately, the American side has failed to fulfil its commitments."

PM calls for 'end of war' at meeting with Putin

The two leaders discuss conflicts in West Asia and Black Sea region, impact on maritime trade and safety of Indian seafarers; Putin highlights positive trends in Moscow-New Delhi economic ties

Kallol Bhattacherjee
NEW DELHI

Prime Minister Narendra Modi on Monday met Russian President Vladimir Putin on the sidelines of the SCO summit in Bishkek and said the world "must move from endless war to end of war for the benefit of humanity".

The External Affairs Ministry said the two leaders discussed conflicts in West Asia and in the Black Sea region, where, in recent months, Indian seafarers have been attacked by both Russian and Ukrainian forces.

"Had extensive discussions with President Putin. Discussed the full range of the India-Russia Special and Privileged Strategic Partnership. It is gladdening to see significant progress across various sectors in recent years. Focus areas for India-Russia friendship remain energy, innovation, space, fertilizers, and people-to-people linkages," said Prime Minister Modi.

In a statement, the External Affairs Ministry said,

Prime Minister Narendra Modi and Russian President Vladimir Putin during a meeting in Bishkek on Monday. ANI

Number of Indian students in Russia increased almost seven-fold in a decade, says Putin

"They also shared perspectives on key regional and global issues of mutual interest, including the conflicts in West Asia and the Black Sea region which have impacted maritime trade and the safety and security of Indian seafarers. Prime Minister reiterated that dialogue and diplomacy was the way forward in resolving conflicts." The upcoming BRICS summit featured prominently in the discussion, and Mr. Modi said he "looks forward to welcoming President Putin in India for the 18th BRICS summit on 12-13 September".

80th anniversary of ties

The Bishkek meeting between Mr. Modi and Mr. Putin featured in talks during External Affairs Minister S. Jaishankar's visit to the Kremlin on August 24, when Mr. Putin had indicated that he would meet Prime Minister Modi in Kyrgyzstan and also at the BRICS summit in Delhi.

"This time, our meeting is taking place on the eve of the Shanghai Cooperation Organisation Summit - an organisation that works to deepen contacts among the countries of the Global South and East, promotes the region's socioeconomic and cultural development, and contributes to building a just multipolar world," said President Putin in his remarks, reminding that next year will mark the 80th anniversary of establishment of diplomatic relations between New Delhi and Moscow.

Mr. Putin noted that the number of Indian students in Russia has increased almost seven-fold in a decade, and currently 40,000 Indians are studying in Russia.

President Putin said trade and economic cooperation between Russia and India is showing positive trends, with trade turnover increasing by more than 2%. He noted the growth in tourist exchanges between the two countries, with a 16% increase in 2025.

Nepal flood toll surges to 939; search on for trapped workers

Associated Press
KATHMANDU

Rescuers raced to free hundreds of workers believed to be trapped in tunnels at hydropower sites that were buried in mud by catastrophic flooding on the Nepal-China border, as the combined deaths in both countries surpassed 950, with more than 4,400 people missing.

A private-sector association representing power companies said at least 900 workers were unaccounted for at 12 hydropower projects in Nepal's Rasuwa and Nuwakot districts. About 500 of those workers were believed to be trapped in tunnels.

At least one expert said that some workers could have access to oxygen, but others warned that the chances of finding survivors were diminishing. An Indian Army officer deployed as part of a specialised tunnel rescue team said rescuers were digging through "sludge".

Solemn duty: Paramilitary personnel prepare the bodies of flash flood victims for burial in Chitwan, Nepal, on Monday. AP

On the Chinese side, rescue and recovery efforts included rebuilding the road leading to the Gyirong Port border crossing that regulated travel between China and Nepal.

Nepal's disaster agency said on Monday that 939 bodies had been recovered, with 3,925 people missing, including 592 foreigners. As of Sunday, Chinese officials reported 16 deaths and 546 missing. Chinese state media said 261 of the missing were foreigners.

The August 26 disaster was sparked by a glacial collapse, the U.S. Geological Survey said.

BESSENT SAYS TEHRAN 'LASHING OUT' NOW BECAUSE SANCTIONS TAKING HEAVY TOLL

Trump vows to hit Iran hard after first exchange of fire in a month

Continuing war is in no one's interest, says Iran President

Reuters
Dubai, Ashville, North Carolina, August 31

US PRESIDENT Donald Trump was quoted on Monday as promising to "hit them hard" after Tehran launched missiles overnight at two US air bases in Jordan in response to a attack on Iran's Larak island.

"We're going to hit them hard," a *Fox News* reporter quoted Trump as telling the channel. "There will be a response." A senior Iranian source, speaking to *Reuters*, described the overnight hostilities between the US and Iran, the first since late July, as a "limited and contained confrontation" but added that Tehran would deliver a harsh response if attacked again.

Trump also said US air defences had shot down all Iranian missiles that could have caused any damage and said that tough new economic sanctions on Iran were having a big impact, *Fox News* reported.

Washington has recently stepped up efforts to punish Tehran and its business partners with costly secondary sanctions, with diplomacy in stalemate six months into a war that began with US and Israeli strikes on Iran.

People drive near a billboard depicting US President Donald Trump on a building in Tehran on Monday. REUTERS

US Treasury Secretary Scott Bessent, echoing Trump, said on Monday the resumed exchanges of fire showed that Iran was "lashing out" now because the new sanctions were taking a heavy toll on its already battered economy.

"They're taking it very seriously... they're in shock at the state of their economy,' Bessent told reporters at a meeting of G20 finance ministers in North Carolina. "I would think that they are lashing out kinetically because they are losing economically."

US forces on Sunday struck two Iranian launchers on Iran's Larak Island, a US official said, after "Islamic Revolutionary Guard Corps forces were observed preparing to launch rockets with sea mines into the Strait of Hormuz".

Three people were killed in the US attack, Tasnim news agency reported, and two of them had been identified as members of the Revolutionary Guards Navy. Larak is a small island in the strait near the strategic Iranian port of Bandar Abbas. In a statement, the US Central Command said it took "limited, precise" action against mine-laying forces of Iran's Revolutionary Guards that posed an "imminent threat" in the strait.

In response, as well as attacking the US bases in Jordan, Iran's army said it had struck the Al Minhad air base in the United Arab Emirates early on Monday. However, the UAE's defence ministry dismissed that report as false. Meanwhile, Iranian President Masoud Pezeshkian struck a milder tone on Monday, saying that his country still sought a negotiated resolution of the conflict.

"... we are still trying to achieve an agreement and understanding, and we believe that continuing the war is in no one's interest, neither ours, nor the region's, nor humanity's," Iran's semi-official Tasnim news agency quoted him as saying.

Trump had annoyed Iran overnight by posting on his Truth Social platform an AI-generated video clip that he said showed Iran's oil hub Kharg Island being "blown to smithereens!!!"

There was no evidence of any such attack and a US official said on Monday the military had not targeted Kharg Island in overnight strikes. An Iranian official dismissed Trump's post as "laughable".

New US missile appears to have left a wide path of destruction

Associated Press
August 31

IT HAS been touted by the manufacturer as the ballistic missile of the future: lethal, long-range and pinpoint. Lockheed Martin's Precision Strike Missile has the US military investing billions to update its arsenal.

But a close look at what is believed to be its first use in combat — on the first day of the Iran war — highlights the potential peril of deploying this weapon near population centers because it appears to spray pellets over a wide area, according to a review by the conflict monitor Airwars and interviews with weapons experts and former defence officials.

Three missiles that struck the southern city of Lamerd on February 28 killed civilians as far as 50 meters from where they detonated, and caused damage more than three times farther away, Airwars found. The missiles detonated above a sports complex and two residential areas, Airwars found. The blasts killed at least 21 civilians, including seven children, said officials.

● GLOBAL

Why the US, world's top oil producer, wants to control Venezuela's crude

Sukalp Sharma
New Delhi, August 31

THE US says it will gain majority control over more than 65 billion barrels of Venezuelan oil — or 20% of its proven oil reserves — under an agreement with the South American country.

US President Donald Trump said this "biggest oil deal in world history" will be implemented through a partnership involving private companies "at no cost to the American taxpayer".

Venezuela has the world's largest proven oil reserves, estimated at about 300 billion barrels, but produces and sells only about 1% of the crude the world is using. After the US captured Venezuela's President Nicolás Maduro in January, Trump declared that Washington would take control of the country's oil sector and that American majors would invest billions of dollars to revive it.

Now, his announcement represents an ambitious attempt to combine American capital and technology with Venezuela's massive but dilapidated oil production infrastructure. The deal could mark the beginning of a reorientation of Venezuela towards the US.

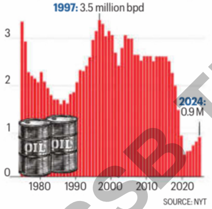
Globally, the US is the largest oil producer and also a top exporter. So, why does it want to have a high degree of control of Venezuelan crude?

Some reasons are self-evident — energy market dominance, reducing international oil prices amid the Strait of Hormuz crisis, and building up reserves. But a key reason is the very nature of Venezuelan oil — highly viscous, sticky, and "sour".

Big announcement, few details

At this stage, the precise legal and commercial structure of the US-Venezuela agreement remains unclear. Some reports suggest the deal would likely involve a new private company jointly owned by US interests and an operator, with the US side holding a 55% operational share. The company would develop 17 oil fields, while US buyers would purchase oil at cost. The Venezuelan government, meanwhile, has put the potential economic impact at roughly $100 billion in private investment and more than $209 billion in tax revenues.

● Venezuela's oil production
(in million barrels per day or bpd)



Venezuela has historically maintained strong state control over its oil industry. A deal giving foreign companies significant ownership or operational control of its oil producing assets could become politically contentious.

Moreover, there are questions over whether Venezuela's interim administration has the authority to commit to long-term oil agreements. Reports indicate that opposition leaders in Venezuela are already up in arms against any deal giving control to American companies.

The legal structure of the new agreement will, therefore, be crucial.

Why US wants Venezuelan oil

Crude oil is not exactly a fungible commodity in practice because of the differences in quality of various types or grades of oil. And which type of crude is likely to be easily available in adequate volumes is a key factor in refinery configurations.

A key reason for US interest is the grade of Venezuela's oil, the bulk of which is classified as "heavy sour" crude: "heavy" because it is thicker and denser than the lighter crude oil grades, and "sour" because of its high sulphur content.

By contrast, the majority of US oil production is "light" and "sweet", denoting low viscosity and sulphur content. But much of the American refining infrastructure — particularly the US Gulf Coast refineries — were specifically engineered to process heavy crudes from Latin America and Canada.

The US is also not on the best of terms with other countries that have significant heavy crude reserves, such as Iran and Russia. So, the US still has to import heavy sour crudes to feed these refineries, even as it exports massive volumes of its own "light sweet" oil.

There are also geopolitical considerations. The Trump administration wants a reliable and nearby supply source after its war on Iran prompted Tehran to choke oil supplies through the Strait of Hormuz — the narrow waterway that used to see a fifth of the world's energy flows in peacetime.

The challenges

Notwithstanding Trump's highly optimistic outlook for Venezuela's oil industry, scaling up production again will be no mean task. Norway-based energy research and intelligence firm Rystad Energy had estimated in January that Venezuelan oil production can return to late 1990s levels by 2040 if the new investment cycle starts as early as 2026. For this to happen, over $180 billion would have to be invested over the next 15 years.

With US sanctions on Venezuela greatly constraining the flow of Venezuelan crude in the international oil market, China became its leading destination. Over the past couple of decades, both China and Russia have invested heavily in the Venezuelan petroleum industry.

Now, the outlook for these investments is uncertain. In that context, Trump's declaration can also be seen as Washington's attempt to cut Chinese and Russian influence in the Americas.

Messi hangs up his boots for Argentina

A man walks past a mural of Lionel Messi in Buenos Aires, Monday. The Argentine legend announced his retirement from international football, but will continue to be active in club football. AP PAGE 17

India's GDP growth at 7.8% in Q1, slower than last quarter but quicker than last year

Stronger performance was driven by the manufacturing sector as well as some broad services categories such as utilities, financial services, real estate, IT, public administration and defence

T.C.A. Sharad Raghavan
NEW DELHI

The growth in India's Gross Domestic Product (GDP) stood at 7.8% in the April-June 2026 quarter (Q1 FY27), quicker than the 6.9% recorded in Q1 of last year, but slower than the 8.6% of the January-March 2026 quarter.

The stronger performance in Q1 of this year compared with last year has been driven by the manufacturing sector as well as some broad services categories such as utilities, financial services, real estate, IT, public administration and defence. "India's exemplary GDP growth of 7.8% during Q1 of FY 2026-27 is a Herculean feat," Prime Minister Narendra Modi said in a post on X. "The collective strength of our people ensured India delivered such growth despite oil price shocks and supply chain issues in the midst of global uncertainties."

Finance Minister Nirmala Sitharaman also took to social media to point out that nominal GDP in Q1 of FY 2026-27 is estimated to have grown by 10.3%, while real Gross Value Added (GVA) growth came in at 8.2%.

"The credit for this strong performance goes to the people of India and their hard work," she added in her post on X. "Reforms undertaken by the NDA Government, together with an agile management of the economy, are bearing results."

The laggards: The mining slipped into a contraction of 2.4% in part due to a high base of 12.4% growth in Q1 of last year. GETTY IMAGES

Speaking at the press conference following the release of the data, Chief Economic Adviser V. Anantha Nageswaran said that the key message from the data was that "we are witnessing continued resilience in the Indian growth performance" and that this resilience is backed up by high-frequency indicators.

Some economists have, however, pointed out that while the Q1 growth was a positive surprise, growth in the months ahead is expected to slow.

"A deficient south-west monsoon, amid El Niño conditions, poses downside risks to agriculture and rural demand, while unfavourable base effects are likely to weigh on growth from Q2," Vikram Chhabra, Senior Economist at financial services firm 360 ONE Asset said.

The manufacturing sector grew by 9.2% in Q1 of 2026-27, a three-quarter high. "Manufacturing growth has been very impressive at 9.2%, which comes over 8.3% [in Q1 last year]," Madan Sabnavis, chief economist at the Bank of Baroda explained. "Here it is again the infra-based companies which have contributed to growth based on the results of companies for Q1."

Overall, Mr. Sabnavis said that the data showed that growth has been spearheaded by capital formation, as measured by the Gross Fixed Capital Formation (GFCF), which has increased to 34.3% of GDP in nominal terms from 31.4% last year, and grew 20.4% in Q1 of this year. "This is a major takeaway as this involves both private and government expenditure with the former being driven by data centres and power, besides metals," he added.

Broad-based growth

The construction sector grew 7.7% in Q1 of 2026-27 compared with 5.2% in Q1 of last year.

The third broad category of the secondary sector – Electricity, Gas, Water Supply & Other Utility Services – saw growth coming in at 8.9% in Q1 of 2026-27, although some of this is likely a low base effect since the sector had contracted 1.8% in Q1 of 2025-26.

The tertiary sector, comprising services, cumulatively grew 10% in Q1 of 2026-27 compared with 8% in the same quarter of the previous year. Within this, the 'Financial, Real Estate, Ownership of dwelling, IT & Professional Services' category grew at 12.1% in Q1 of this year compared with 8.8% of last year.

The agriculture sector, however, saw growth slowing to 3.6% in Q1 of 2026-27 from 4.4% in Q1 of 2025-26. The mining and quarrying sector slipped into a contraction of 2.4%, in part due to a high base of 12.4% growth in Q1 of last year.

CENTRE NOTIFIES FRAMEWORK FOR SEMICON 2.0 PROGRAMME

Domestic chip design to receive a boost with Rs 1.27 lakh cr push

Soumyarendra Barik
New Delhi, August 31

THE CENTRE on Monday notified the operational framework for its Rs 1.27 lakh crore Semicon 2.0 programme, putting the design of Indian chips and intellectual property at the front of an expanded semiconductor strategy that will also subsidise manufacturing equipment, raw materials, fabrication plants and advanced chip packaging.

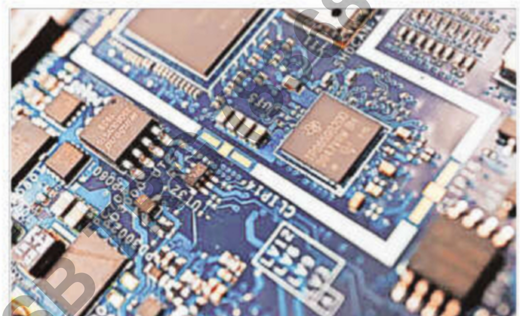
The new mission, approved by the Union Cabinet in July, divides government support into six pillars, with at least three being entirely devoted to chip design. Incentives are being offered for designing chips needed for strategic purposes, for the commercial market, for domestically developed chips deployed at scale.

For chips meant for areas of national importance and critical infrastructure, the government will identify technologies and building blocks, including intellectual property (IP) for compute, memory, radio frequency, power, networking and sensors, that it wants developed in India. Indian-owned and controlled companies can participate independently or with global companies, research organisations and academic institutions.

The Centre for Development of Advanced Computing (C-DAC), under the IT Ministry, will issue requests for proposals and select developers through competitive bidding. The IP created under these projects will be jointly owned by the company and C-DAC.

A second design track is aimed at building commercially viable Indian fabless chip companies. The scheme will provide eligible firms access to electronic design automation (EDA) tools, multi-project wafer fabrication, IP cores, compute sub-systems and post-silicon validation.

Start-ups and MSMEs designing commercial chips can receive seed funding of up to Rs 15 crore, or 50% of project cost, whichever is lower. The government can also make equity co-investments alongside venture capital or private equity investors. Larger companies can opt for royalty financing, under which they will pay 5% of a product's net revenue until 1.5 times the government's financial support has been recovered.



The new mission divides government support into six pillars, with at least three being entirely devoted to chip design. REUTERS

For this track, the scheme has also widened eligibility beyond Indian citizens. Companies incorporated and headquartered in India can qualify if they are owned and controlled by Indian citizens or Overseas Citizens of India (OCIs), provided they also have a significant operational and manpower presence in the country.

"I was also glad to see that the scheme has this time been opened up to OCIs companies owned by Overseas Citizens of India which is a very good decision, since they bring rich global experience that will help create truly advanced design companies in India," said Arjun Malhotra, co-founder of HCL and chairperson of EPIC Foundation.

Beyond design, the scheme also attempts to build the largely imported upstream supply chain needed to operate semiconductor factories. Companies setting up R&D facilities for semiconductor equipment, plants making semiconductor-grade wafers, photomasks, photoresists, substrates, chemicals and gases, testing facilities, or units producing semiconductor equipment and components can receive capital expenditure support of 30%.

Equipment manufacturers will additionally get a declining production-linked incentive: 10%, 8%, 6%, 4%, and 2% over five years beginning FY 2028-29, on the value of their bill of materials sourced from domestic manufacturers. The combined support will be capped at 50% of eligible capital expenditure.

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FIIs pump $3.1 bn into Indian stocks in August, highest in nearly 2 years

Akash Mandal
Mumbai, August 31

FOREIGN INVESTORS bought Indian equities worth $3.1 billion in August, the highest monthly inflow since they bought shares worth $6.9 billion in September 2024. This was the second straight month of foreign buying after a four-month selloff.

The renewed interest, following $2.1 billion of foreign investment in Indian equities in July, has been driven by reasonable valuations, better-than-expected earnings for the April-June quarter, relatively stable macroeconomic conditions and a shift away from AI-heavy markets in recent months.

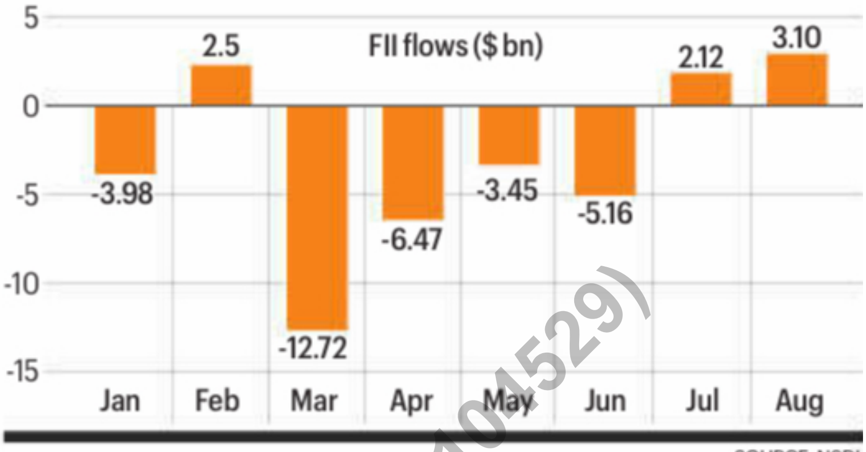
Reasonable valuations in the Indian stock market are among the biggest drivers of the revival, especially after one of the worst four-month stretches in years, when foreign investors sold Indian equities worth $27.8 billion between March and June. The benchmark Nifty 50 and Sensex had declined around 5% during that period, weighed down by the conflict in West Asia and the AI-led rally in global markets.

In comparison, both indices are up around 1% since July. Broader mid- and small-cap indices have also gained 5-6% over the same period, suggesting that investors are finding opportunities across a wider range of the market.

These reasonable valuations, coupled with higher-than-expected earnings growth in Q1FY27, have provided foreign investors with an opportunity to buy Indian equities even as they continued selling stocks in the AI-heavy South Korean market through August.

The Reserve Bank of India also kept the key interest rate steady earlier this month, even as the minutes indicated rate

• FII flows have improved in recent months



SOURCE: NSDL

hikes going ahead as inflation is expected to rise over FY27. While a rate hike by itself is not necessarily a positive or negative reason, the prolonged pause eases uncertainty at a time when valuations in several pockets of the Indian market are reasonable after months of continuous selling.

"Foreign investors turned buyers in August largely because the RBI kept policy stable while valuations had already absorbed months of selling pressure," noted a report from Maxiom Wealth last week.

A rate hike in itself is not a positive catalyst for foreign investors, but it can ease uncertainty at a time when valuations in several pockets of the Indian market have become more reasonable after months of sustained selling.

Financial services, auto among FIIs' top picks

The financial services sector attracted the strongest interest, with FIIs buying $685 million worth of shares in the sector during the first half of August, according to data from the National Securities Depository Limited. The automobile sector saw an inflow of $462 million during the period. Consumer services, healthcare and IT also saw robust inflows of between $200 million and $400 million.

Barring financial services, all these sectors had recorded positive inflows in the previous 15 days.

While data for the second half of the month has not yet been released, most of these sectors have continued to perform well. Healthcare gained around 1.2% in August, while IT and auto rose up to 1%. Financial services gained as much as 1.6% in early August before giving up some of those gains.

Despite the strong revival over the past two months, most market experts see the buying as temporary and opportunistic rather than the beginning of a structural revival. Foreign inflows are therefore expected to remain volatile and dependent on factors such as crude oil prices, geopolitical stability and taxation.

"It is not a structural reversal, as buying value is insignificant compared to their selling in the last 2 years...structural buying can happen if peace prevails in West Asia, and therefore, oil prices fall more than 20% from current levels," said G Chokkalingam, founder of Equinomix Research.

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