Top court quashes FIRs against Gen Z protesters

SC invokes Article 142 to close all criminal cases over the July protests, allows Delhi Police to file fresh FIR against protesters with 'criminal antecedents'; CJP withdraws call for September 5 march

Krishnadas Rajagopal
NEW DELHI

The Supreme Court, at the urging of the Centre, took a rare and extraordinary step on Tuesday to quash criminal cases registered against Gen Z protesters involved in nationwide stir linked to the Cockroach Janta Party (CJP) following the NEET-UG, 2026 question paper leaks.

A three-judge Bench headed by Chief Justice of India Surya Kant exercised its absolute powers under Article 142 of the Constitution to do "complete justice" and ensure that the first information reports (FIRs) over the protests "will not be investigated, and will be closed for all intents and purposes".

The court clarified its order was not confined to Delhi, but extended to all States and Union Territories where protests took place.

CJP co-convener Saurav Das and other members celebrate in front of the Supreme Court after the order on Tuesday. SHIV KUMAR PUSHPAKAR

This came after a volte-face from the Delhi Police, which comes under the jurisdiction of the Union Home Ministry. Faced with the spectre of a CJP march on September 5, just days ahead of a high-profile BRICS summit in the National Capital, the Delhi Police told the court on August 31 that it did not wish to pursue the FIRs. Following Tuesday's decision, the CJP announced it was withdrawing its call for the march.

CJP co-convener Saurav Das, who was present in the court room and was invited to address the Bench, noted the "positive assurances" of the government and the "judicial sanctity bestowed upon them" and said that the CJP looked forward to compliance with the "historic" order.

The Bench, however, allowed the Delhi Police to file a "fresh and specific" FIR against 2,873 individuals with criminal antecedents, who were spotted by facial recognition technology at the Jantar Mantar protest site in central Delhi. The court said the FIRs should not prejudice their rights, and they should be given every opportunity to defend themselves.

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Top court quashes FIRs against Gen Z protesters

The top court said the Centre would be at liberty to ensure that States and Union Territories did not register any fresh FIRs with respect to the CJP-led protests held between July 20 and July 25. Keralam, represented by advocate Aljo Joseph, appreciated the court's decision, saying that police did not respond with violence to the student protests held in the State.

'Frame compensation policy'

It further directed the Centre to frame a pan-India policy for compensating the families of students who took their own lives following the NEET-UG 2026 paper leaks, and then make the payments within three months.

The hour-long hearing ended in a general round of bonhomie with Chief Justice Kant lightheartedly saying, "All of us have seen student life." The CJI's oral remarks about 'cockroaches' and 'parasites' in the same court room had sparked the advent of the Cockroach Janta Party (CJP).

The CJI, after pronouncing the order, advised that students must "concentrate on careers to establish and create a space in a competitive world". The court said it chose to invoke Article 142, primarily keeping in mind the "future prospects of the young protestors".

"As an institution, we are thankful a constructive environment has been created that will help youngsters. All the best wishes," Chief Justice Kant said, giving expression to an air of satisfaction prevalent in the court room.

The CJP co-convener, who read out a statement from his mobile phone after being invited to the front row to address the Bench, said that, "in view of the positive assurances of the Government of India [to close the FIRs] and the judicial sanctity bestowed upon them today... the CJP deems it appropriate to withdraw the call for the march on September 5 and looks forward to compliance with today's order."

SHAURYA SSB TRG (8368 05291)

SCO must dismantle terror ecosystem: PM

Kallol Bhattacherjee
NEW DELHI

The Shanghai Cooperation Organisation (SCO) "must dismantle" the entire ecosystem of terrorism and send a strong message to countries that practise terrorism as a state policy, Prime Minister Narendra Modi said on Tuesday in his remarks at the 26th summit of the bloc in Bishkek, the capital of the Kyrgyz Republic.

The Prime Minister's sharp remarks came even as Pakistan took over the baton of SCO chair for 2026-27. India blames Pakistan for cross-border terrorism.

Mr. Modi also called for "peace and stability" in Afghanistan and highlighted the humanitarian assistance that New Delhi has been providing Kabul over the years. The Bishkek Declaration, issued after the conclusion of the summit, also called for an "inclusive government" in Taliban-ruled Afghanistan and expressed "deep concern" over the ongoing war in the Persian Gulf region.

PM Narendra Modi addressing the SCO summit in Bishkek, Kyrgyz Republic, on Tuesday. ANI

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KEY PRIORITY
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'India should be vocal about international law violations'

Stanly Johny

India needs to be more vocal about violations of international law and use its global weight to push for peace between Israel and Palestine, Varsen Aghabekian Shahin, the Palestinian Foreign Minister, has said while urging India to examine arms transfers to Israel seriously.

In an interview with *The Hindu*, Ms. Shahin said Palestine had a "very long-standing relationship" with India and had no issue with the country maintaining friendly ties with Israel. On the two-state solution, she said there was "no other solution".

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SHAURYA SSB TPC (8368104529)

SCO must dismantle terror ecosystem: PM

"We must dismantle the entire ecosystem of terrorist financing, recruitment, radicalisation, and safe havens. We must speak with one voice and make it clear that there can be no place for double standards on this serious issue. We must send a strong message to countries that use terrorism as an instrument of policy and provide safe haven and support to terrorists that terrorism can never be a strategic asset for anyone," the Prime Minister said.

Referring to the situation in Afghanistan, Mr. Modi described drug trafficking as a threat to regional security. "Our shared aspiration for a peaceful and secure Eurasia is also closely linked to peace and stability in Afghanistan. India has been contributing to the development and provision of humanitarian assistance to the people of Afghanistan and will continue to do so," he said.

The Bishkek Declaration urged the Taliban administration in Kabul to create an "inclusive government with the participation of all ethnopolitical groups in Afghanistan" to ensure lasting peace in the country.

Reflecting the SCO's collective position on the situation in the Persian Gulf, Mr. Modi said the crisis in West Asia has affected "energy security, maritime security and supply chain[s]", noting that the nations of the Global South were "bearing the greatest brunt of such disruptions".

The Bishkek Declaration addressed both the U.S.-Iran conflict and the Ukraine-Russia war by saying that the actions of "certain countries" or groups of countries that unilaterally deploy global missile defence systems negatively impact international security.

SHAURYA SSB [IC-48681045291]

SCO declaration: Double standards in fight against terror unacceptable

Member States reaffirm commitment to combat terror, separatism, extremism

Shubhajit Roy
New Delhi, September 1

STRESSING THAT "double standards" in the fight against terror are unacceptable, leaders at the Shanghai Cooperation Organisation (SCO) on Tuesday called on the international community to combat terrorism, including the cross-border movement of terrorists.

This is part of the 'Bishkek Declaration' adopted by India, Pakistan, Iran, Russia, China and the Central Asian countries in the SCO grouping. The declaration is important since India has always maintained that Pakistan is responsible for cross-border terrorism in the country.

On terrorism, the joint declaration stated: "Member States, reaffirming their firm commitment to combating terrorism, separatism and extremism, emphasise the inadmissibility of attempts to exploit terrorist, separatist, and extremist groups for selfish purposes. They recognize the leading role of sovereign states and their competent authorities in countering terrorist and extremist threats."

"Member states consider attempts to discredit government bodies and structures of SCO member states unacceptable. They emphasize that such actions are contrary to international law and undermine the principles of sovereign equality of states and non-interference in internal affairs enshrined in the UN Charter."

"Member States strongly condemn terrorism in all its forms and manifestations, emphasize that 'double standards' in the fight against terrorism are unacceptable, and call on the international community to combat terrorism, including the cross-border movement of terrorists, with the UN playing a central role by fully implementing relevant UN Security Council resolutions and the UN Global Counter-Terrorism Strategy in accordance with the UN Charter and the principles of international law, in order to jointly combat all terrorist organizations," the declaration said.

On the war between US-Israel and Iran, the Bishkek Declaration said: "Member states express deep concern over developments in the Middle East and around Iran. They reiterate the SCO's previously stated position condemning military strikes on the territory of the Islamic Republic of Iran, which have resulted in numerous civilian casualties and significant damage to the country's economy."

"Such actions violate the principles and norms of international law and the UN Charter and create serious risks to international peace, security and stability," it said.

This is important since India has strong ties with Israel, and the criticism of the US and Israel is not the norm for Delhi.

"Member States express their sincere condolences to the people and Government of the Islamic Republic of Iran on the tragic death of Supreme Leader Seyyed Ali Khamenei, and to the families of the victims," it said.

It also said, "Member States, reaffirming their support for the sovereignty and territorial integrity of the Islamic Republic of Iran, advocate a resolution to the conflict solely through political and diplomatic means. In this regard, they welcome all efforts aimed at de-escalating the situation in the region."

External Affairs Minister S Jaishankar and Chinese Foreign Minister Wang Yi on the sidelines of the SCO Summit in Bishkek on Tuesday. ANI

In the context of the geopolitical environment where two wars — in Ukraine and West Asia — are ongoing, the declaration said: "Member States note that the world has entered an era of profound geopolitical, socioeconomic, and technological change. The international situation remains challenging, driven by ongoing conflicts, energy and food security challenges, global market instability, and climate change."

On the UN Charter and international law, the declaration said, "Member States reaffirm their unwavering commitment to the universal norms and principles of international law enshrined in the UN Charter and emphasize the need to strengthen its role as a guarantor of international peace and security, sustainable development, and the construction of a representative, democratic, and equitable multipolar world order. They make an increasing contribution to the common efforts to qualitatively improve the global order." This is also important since Russia has invaded Ukraine, China regularly threatens neighbours, including in the South China Sea and the border standoff with India.

On the West's criticism of human rights "violations" in China, Russia and Iran among others, the declaration said, "Member States emphasize the indivisibility, interdependence and interrelatedness of all human rights and recall the universal nature of the obligation to respect human rights and fundamental freedoms, oppose the application of "double standards", particularly in matters of human rights, and oppose interference in the internal affairs of sovereign States."

Indian officials pointed out that SCO reaffirmed the "idea of One Earth, One Family, One Future" for developing dialogue. This was the catchphrase during the 2023 G20 Summit in Delhi.

"Taking into account the views of member states, they reaffirmed the relevance of initiatives to promote cooperation in building a new type of international relations in the spirit of mutual respect, justice, equality and mutually beneficial cooperation, as well as to develop a shared vision of creating a community with a shared destiny for humanity and developing dialogue on the idea of 'One Earth. One Family. One Future'," the Declaration said. They said India's initiatives in SCO were accepted, as it said, "Strengthening scientific, technical and innovative cooperation through active involvement of young people, and through the regular holding of the SCO Young Scientists Forum."

Sharif's office crops out Modi from SCO group photograph

Pakistan Prime Minister Shehbaz Sharif's office had cropped out Prime Minister Narendra Modi from the group photograph at the SCO leaders' Summit in Bishkek and posted it on X. Facing backlash on social media, they later restored the original photograph on X. ENS

SURUPA ESR IP 3045291

Xi urges SCO member states to make security a key priority

Press Trust of India
BISHKEK

Chinese President Xi Jinping on Tuesday called on the members of the Shanghai Cooperation Organisation (SCO) to make security a key priority and crack down on terrorism, separatism and extremism, transnational organised crimes, drug trafficking and telecom fraud.

"We should stay committed to taking security as a key goal, and foster an environment of common security. We should pursue coordinated measures to tackle traditional and non-traditional security threats," Mr. Xi said while addressing the SCO summit in the Kyrgyz capital attended by Prime Minister Narendra Modi, Russian President Vladimir Putin and others.

Xi Jinping

"We should crack down on the three forces of terrorism, separatism and extremism, transnational organised crime, drug trafficking, and telecom fraud," he added. The SCO member states should strengthen cooperation on information security, biosecurity, and outer space security, Mr. Xi said.

Water must never be weaponised, says Sharif

Press Trust of India
ISLAMABAD

Pakistan Prime Minister Shehbaz Sharif on Tuesday said that water was the "lifeblood" of the region and it must never be weaponised, highlighting the issue of the Indus Waters Treaty (IWT).

Mr. Sharif was speaking at the Shanghai Cooperation Organisation (SCO) Summit in the Kyrgyz capital, *Dawn* reported.

SHAURYA SEBTRG (9368804529)

Four Naga villages attacked, pastor shot at, houses torched in Manipur

The Hindu Bureau
GUWAHATI

Unknown extremists attacked four Liangmai Naga villages along the Imphal-Tamenglong road in Manipur's Kangpokpi district on Tuesday, less than 24 hours after three Kuki villagers were killed in the vicinity.

The Working Committee of the Tangkhul Naga Long (TNL), the community's apex body, claimed the Kuki National Front-Presidential (KNF-P) carried out the attacks in collusion with the Kuki National Army (KNA). According to the TNL, the assailants shot at and critically injured Luithuibou Newmai, the pastor of Tapon village, and torched several houses till early afternoon.

Women raise slogans during a strike demanding NRC updation before Census 2027, on NH-37 in Imphal on Tuesday. ANI

"The attacks on four Naga villages were carried out by the KNF-P and KRA cadres led by Jangboi Kipgen, who is also the home secretary of the United People's Front...," the TNL said in a statement.

"The modus operandi of the migrant Kukis unleashing repetitive armed offensives within Kangpokpi is intended to effect a demographic change. The landless Kukis are utilising and employing this pattern of attacks to establish their hegemony over the ancestral land of the Nagas by uprooting us from our homes," the TNL said.

Noting that these Kuki groups were under the Suspension of Operation (SoO) agreement with the Centre, the TNL criticised the government for its alleged inability to rein in the groups under the deal.

Meanwhile, life was affected across large swathes of Manipur – specifically the five districts of Imphal Valley – on Tuesday after the Campaign for Justice and Fair Delimitation (JFD) enforced a 24-hour general strike despite the Centre having deferred the Census exercise in the State on Monday.

The JFD wants the government to prepare the National Register of Citizens (NRC) in the State before conducting the Census.

The shutdown affected business establishments, public transport, and vehicular movement in several areas, with protesters blocking roads and preventing the movement of vehicles, except those providing essential and emergency services.

SHAURYA SSB T... (8104522)

Kuki body asks its MLAs to boycott Manipur Assembly

The Hindu Bureau
GUWAHATI

The Kuki Inpi Manipur (KIM), the apex body of the Kuki community, has asked Kuki-Zo MLAs to stay away from the Assembly session beginning Wednesday. The Manipur Assembly session is scheduled to continue until September 7, with three sittings planned.

In a statement on Tuesday, the KIM said the resumption of proceedings should not be treated as a return to normalcy, as the community's demand for a separate political administration remained unresolved. It said Kuki-Zo MLAs must demonstrate solidarity with the community. It warned those who ignore the directive would be seen as moving away from the community's collective position.

"At this critical juncture, the Kuki-Zo MLAs must stand firmly with their people. Political representation cannot be divorced from the political will of the people," the KIM said.

The organisation maintained there can be no return to "business as usual" without a political settlement for the community that has suffered since the ethnic conflict in Manipur erupted in May 2023.

Ten Kuki-Zo leaders were elected in the 2022 Manipur Assembly polls. One of them, Vungzagin Valte, was attacked by a mob in May 2023 and died in February 2026.

SHAURYA SSB TRG (8368105291)

AVM Shakti Sharma scripts history as highest-ranking woman IAF officer

1st woman officer (non-medical) in the armed forces to attain the rank of Air Vice Marshal

Amrita Nayak Dutta
New Delhi, September 1

Air Vice Marshal Shakti Sharma with Vice Chief of the Air Staff Air Marshal Ashutosh Dixit in New Delhi on Tuesday. PTI

AIR VICE-MARSHAL Shakti Sharma has made history as the first woman officer (non-medical) in the Indian defence forces to achieve the rank of Air Vice Marshal (or its equivalent).

She is the first woman officer in the Indian Armed Forces to break this glass ceiling and reach such a milestone. In the Army and Navy, women officers so far have reached the rank of Colonel and equivalent. On Tuesday, AVM Sharma assumed charge as Assistant Chief of the Air Staff (Education) at Air Headquarters, the Ministry of Defence said in a statement, adding that this landmark achievement marks a new chapter in the journey of women officers in the defence forces.

Commissioned into the Education Branch of the IAF on June 18, 1994, the senior officer has served across various training establishments, field stations, command headquarters and Air Headquarters in her over three decades of distinguished service.

The Ministry of Defence statement noted that throughout her career, AVM Sharma has spearheaded key institutional initiatives, including establishing the IAF Chairs of Excellence at IIT-Kanpur and Pune University to drive academic and strategic defence collaboration. She is also the first woman officer from the Tri-Services to command a Sainik School, serving as Principal of Sainik School, Kapurthala.

One of the key reasons why a woman officer could achieve this feat is attributed to the IAF officially granting Permanent Commission status to women officers in 2010. Since then, the IAF has streamlined opportunities for their promotion and career development, including their participation in career courses.

The Army and Navy started granting Permanent Commission to women officers in select arms/services and branches in 2008. However, that was extended to other branches in 2020 after the top court's intervention. The fact that only one woman officer (non-medical) has attained the rank of AVM reflects the highly competitive nature of career advancement in the Armed Forces.

SHAURYA SSB TRG (8668104521)

Endurance test

The quarters ahead will test the stamina of India's economic resilience

India's economic growth during the first quarter of this financial year has surprised most people. Against a perception among economists that growth would slow to about 6%-7% on account of the impact of the West Asia crisis, real growth in the April-June 2026 quarter came in at a robust 7.8%. This was not a statistical anomaly, either, as growth was underpinned by strong performances in both manufacturing and services. In fact, the manufacturing sector grew at a three-quarter-high of 9.2%. The sector has likely benefited from the Goods and Services Tax rate cut implemented last September, and further from the Reserve Bank of India's (RBI) 125-basis point cumulative interest rate cuts through 2025. A part of it is also that companies likely front-loaded their output in the expectation of further uncertainty on inflation, potential future rate hikes, and other possible headwinds. The other piece of good news is that capital creation seems to have picked up. While it is not yet clear what the share is between the government and the private sector, capital creation overall has a welcome multiplier effect on the economy. The services sector, too, has continued to see robust growth, adding strength to the economy. Yet, the economy is not out of the woods, and this robust performance will be more difficult to replicate in the quarters ahead. As Chief Economic Adviser V. Anantha Nageswaran has cautioned, Hormuz uncertainty is likely to keep oil prices above $80 a barrel, too high for a country that imports 85%-90% of its oil requirement.

This is perhaps why Prime Minister Narendra Modi on Tuesday reiterated his appeal to Indians to buy local, avoid non-essential foreign travel and weddings abroad, and stop unnecessary purchases of gold. The pressure of maintaining a reasonable trade deficit has so far rested on India's services exports. This has served India reasonably well so far, but the global economy is stuttering. This, combined with the growth of Artificial Intelligence services elsewhere, could hurt demand for Indian services exports going ahead. The economy is also yet to face the full brunt of a deficient monsoon and the impact this will have on rural demand. The consumption-related data for July in the Index of Industrial Production already points to sluggish rural demand. While inflation remains well within the RBI's comfort zone, it has been increasing. The RBI expects it to hit 5.9% in October-December 2026, which would further hit demand. The front-loading of manufacturing will also, by definition, peter out over the next few quarters. The strength of the Indian economy's resilience was tested in Q1 and it passed admirably. However, the much tougher stamina test remains.

SHAURYA SSR (6381045201)

NEPAL DISASTER: OVER 4,000 STILL UNACCOUNTED FOR; OFFICIALS WARN OF FRESH FLOODS

Toll crosses 1,000; morgues full, Kathmandu sees mass burials

DEVANSH MITTAL
TASHI TOBGYAL
EXPRESS IN NEPAL

Workers carry bodies of unidentified victims of the flash floods at a burial site near Gokarna Forest Resort in Kathmandu on Tuesday. TASHI TOBGYAL

Kathmandu, September 1

AS DUSK fell over Kathmandu and rain swept across the valley, a line of ambulances arrived at the western gate of Gokarna Forest Resort, a former retreat and hunting reserve of Nepal's royal family.

Police personnel and workers soon began carrying the remains of unidentified victims of the Bhotekosi flash floods through the golf course into the nearby forest.

Two JCB excavators had dug large pits in the muddy embankment as officials watched. Nearly 75 bodies were interred and tagged with batch numbers for future identification.

A day earlier, more than 200 victims had been buried at four locations. The death toll rose to 1,050 on Tuesday as security forces recovered more bodies from eight districts, officials said.

Nearly 4,000 people remain missing, including 583 foreigners and 83 security personnel, the National Disaster Risk Reduction and Management Authority (NDRRMA) said. About 12,000 people have been rescued.

The disaster has pushed hospitals and mortuaries to their limits, while relatives continue searching for loved ones.

At Teaching Medical College, mortuary facilities have been stretched beyond capacity, with relatives arriving daily to identify family members. In Nuwakot district, 24 bodies were recovered from a single building in Betrawati on Tuesday, police said. All were found at Uttargaya Mini Mart, a shopping arcade there. They included 13 women, 10 men and one child.

Search and relief operations have been hampered by continued rainfall and landslides, while relatives in remote villages scour riverbanks for those missing. Rescuers have also struggled to reach people stranded by the floods as intermittent rain persists. Authorities issued a fresh flood alert Tuesday after water levels rose in rivers across eastern, central and western Nepal.

The NDRRMA warned of a high possibility of flash floods in Nuwakot and Rasuwa districts, where water levels in smaller rivers and streams are expected to rise. It urged people living near rivers to remain vigilant and take precautions.

By nightfall at Gokarna, the large graves had been filled and the day's work had come to an end. Silence settled over the forest. Beyond the burial site, Kathmandu continued with its usual bustle, though the heavy rain brought rush-hour traffic to a standstill. Families across the country, meanwhile, were still waiting for news of those who had not come home.

PM Balen under pressure to attend UN General Assembly, seek support

Yubaraj Ghimire
Kathmandu, September 1

PRIME MINISTER Balendra Shah is under pressure from within his government and the ruling Rastriya Swatantra Party (RSP) to lead Nepal's delegation to the United Nations General Assembly in New York and seek international support following the country's worst flood disaster.

The pressure comes as the death toll from Wednesday's floods crossed 1,000, with nearly 4000 still missing.

The government is urging Shah to use the UNGA platform to seek climate justice for Nepal, international support for post-disaster rehabilitation and reconstruction, and a stronger global response to protect the Himalayan ecosystem.

Nepal PM Balendra Shah

"It is still not certain if the Prime Minister will go, but there is unanimity in the government that he should and lobby with the international community for climate justice and post-calamity rehabilitation and reconstruction," a senior government official said.

Foreign Affairs Minister Shisir Khanal had earlier been assigned to lead Nepal's delegation to the UNGA.

Meanwhile, the Nepal Army has continued its search and rescue operation for a sixth day, particularly inside tunnels at more than a dozen hydropower projects along the Trishuli River.

With no mortuary facilities available in areas along Trishuli River, where the Bhotekoshi merges with it, the government has resorted to temporarily burying unidentified bodies.

"Mortal remains of the dead, especially those not recognisable and decomposed due to prolonged exposure to water, have been temporarily buried," the Ministry of Foreign Affairs said in a statement.

The government has also brought in teams of experts from India, China and South Korea to assist with blasting operations to clear residual blockages.

BANK SANCTIONS LIKELY THIS WEEK, SAYS BESSENT

US launches new barrage of strikes on Iran around Strait

Tehran will be hit again at a much harder and higher level, says Trump

Reuters
Dubai, Washington, September 1

Iran President Masoud Pezeshkian during a session of the SCO summit in Bishkek, Kyrgyzstan, on Tuesday. REUTERS

THE US launched new air strikes on Iranian targets on Tuesday, quashing hopes that an exchange of fire last weekend might not lead to a wider renewal of hostilities.

Tehran remained defiant, warning that it would prevent oil being exported from the Gulf, despite a threat by US President Donald Trump to hit Iran "hard" in response to the renewed Iranian strikes, and a warning from US Treasury Secretary Scott Bessent that Washington was about to impose new sanctions.

"Today at 12 pm ET (1600 GMT), US forces began striking Islamic Revolutionary Guard Corps (IRGC) targets in Iran," US Central Command posted on X. "The strikes follow recent attempted attacks by the IRGC against commercial shipping in the Strait of Hormuz and against American service members deployed to the region."

Iran's state broadcaster said there had been reports of explosions on Iran's Qeshm Island, on the northern side of the strait.

The state-linked news agency *Nour News* said there had been reports of explosions in the port city of Bandar Abbas and in Chabahar, a port on the southern coast. *IRNA* also reported the sound of explosions in Jask and Sirik.

US President Donald Trump posted on his social media channel that if Iran retaliated for the attack, "they will be hit again at a much harder and higher level".

The *Fars* news cited an IRGC spokesperson as saying the US "will regret its new attacks".

The US Embassy in Qatar urged Americans currently in the Middle East to exercise "heightened vigilance and be aware of potential flight cancellations, airspace closures, and travel disruptions".

Iranian President Masoud Pezeshkian had said early on Tuesday at a regional summit in Kyrgyzstan that Tehran would reciprocate immediately if Washington honoured its commitments under a June Memorandum of Understanding that was intended to halt the conflict.

The MOU declared an end to fighting since US and Israeli strikes began on February 28. But it also deferred many of the difficult issues and paved the way for a broader 60-day negotiation period — which passed without further agreement.

Iranian officials have shown no public sign since then of bowing to pressure. "If the enemy wants us not to export oil from the Persian Gulf, no one will be able to export oil," Iranian parliament speaker Mohammad Baqer Ghalibaf was quoted as saying by Iranian media.

Foreign Ministry spokesman Esmaeil Baghaei told a press conference in Tehran that Washington was "addicted to making excessive demands and has mistaken negotiations for dictating terms".

Before the latest attacks, Bessent had said Washington was likely to announce bank sanctions against Iran this week and next, stepping up an attempt to "economically asphyxiate" Iran's leadership after six months of conflict.

At a G20 finance leaders' meeting in Asheville, North Carolina, he said the US was looking to target entities that did business with the IRGC. "We have zero tolerance. We are going to economically asphyxiate this regime," he said.

SHAURYA SSP IRG (9368104529)

India's current account deficit widens to $4.2 bn in Q1 FY27

Lalatendu Mishra
MUMBAI

India's current account deficit (CAD) widened to $4.2 billion, or 0.5% of GDP, in the first quarter of 2026-27, compared with $3.4 billion, or 0.4% of GDP, in the year-ago period, according to preliminary data released by the Reserve Bank of India (RBI) on Tuesday.

The widening deficit was primarily driven by a higher merchandise trade gap, which increased to $86.1 billion in Q1 FY27 from $68.9 billion in the corresponding quarter of 2025-26.

However, stronger services earnings and higher remittance receipts provided some cushion. Net services receipts rose to $51.6 billion during the quarter from $47.9 billion a year earlier. Services exports recorded year-on-year growth across major segments, including computer services, other business services and transportation services.

However, stronger services earnings and higher remittance receipts provided some cushion

The net outgo under the primary income account declined to $10.5 billion in Q1 FY27 from $13.3 billion in the year-ago quarter, mainly reflecting lower investment income payments, the RBI said.

Personal transfer receipts under the secondary income account, largely comprising remittances from Indians employed overseas, increased sharply to $42.9 billion from $33.2 billion a year earlier.

On the financial account, net foreign direct investment (FDI) inflows rose to $6.1 billion in Q1 FY27 from $5.2 billion in Q1 FY26.

Foreign portfolio investment (FPI), however, recorded a net outflow of $9.6 billion during the quarter, reversing a net inflow of $1.6 billion in the corresponding period last year. Net inflows into non-resident deposits stood at $2.8 billion, lower than the $3.6 billion recorded in Q1 FY26. Net inflows under external commercial borrowings (ECBs) also moderated to $3.3 billion from $4.4 billion a year earlier.

India's foreign exchange reserves declined by $8.1 billion on a balance-of-payments basis during Q1 FY27, compared with an accretion of $4.5 billion in the same quarter of the previous year, according to the RBI.

GST revenue grows 14.8% in Aug. to nearly ₹2 lakh crore

Official data show revenue from imports grew 29%, whereas revenue from domestic transactions grew in the single digits; net collections grew a relatively lower 8.3% on higher refunds given out

T.C.A. Sharad Raghavan
NEW DELHI

Gross Goods and Services Tax (GST) collections grew nearly 15% to about ₹2 lakh crore in August, official data released on Tuesday showed. Net collections, however, grew a relatively lower 8.3% on higher refunds being given out.

The Gross GST revenue stood at ₹1,99,853 crore in August 2026, reflecting the business activity of July.

The data also shows that the collections for August last year were revised downward from the originally reported ₹1.86 lakh crore to ₹1.74 lakh crore. As a result, the growth in gross collections in July 2026 now stands at 14.8%.

Had the July 2025 figure not been revised, growth in gross GST collections in August 2026 would have been 7%.

The sharp 72.6% surge in domestic refunds driven by inverted duty structures signals an imbalance, says an analyst. GETTYIMAGES/ISTOCK

Within the data, tax analysts have also pointed out the continued robust growth in revenues from imports as opposed to the slower growth in revenue from domestic transactions.

"The quality of collections warrants closer attention," Manoj Mishra, Partner and Tax Controversy Management Leader at Grant Thornton Bharat said. "While gross GST revenue expanded by 14.8% year-on-year, domestic collections grew 9.3%, whereas import-related GST surged 29%, indicating that trade-linked activity continues to make a disproportionately higher contribution to revenue buoyancy."

They also pointed out that the sharp increase in refunds, which grew nearly 68% overall in August 2026, also pointed to structural issues that the GST Council should take note of in its next meeting scheduled on September 12.

"The sharp 72.6% surge in domestic refunds, driven by inverted duty structures, signals a structural imbalance that warrants urgent redressal," Vivek Jalan, Partner at Tax Connect Advisory Services LLP said. "The Hon'ble GST Council may address these anomalies in its forthcoming meeting to ensure that the tax framework supports competitiveness."

SHAURYA SSB TRG (8368104929)

OIL IMPORTS FROM VENEZUELA JUMPED 60.2% IN AUGUST

Russian oil imports fell 26% in Aug amid supply pressure, China factor

India's total oil imports in August stood at 4.62 million bpd, down 8.4% from July's 5.04 million bpd

Sukalp Sharma
New Delhi, September 1

INDIA'S OIL imports from Russia in August declined 26% from the historic highs in the previous month amid tighter Russian export availability as well as stronger competition from Chinese refiners, according to provisional tanker data.

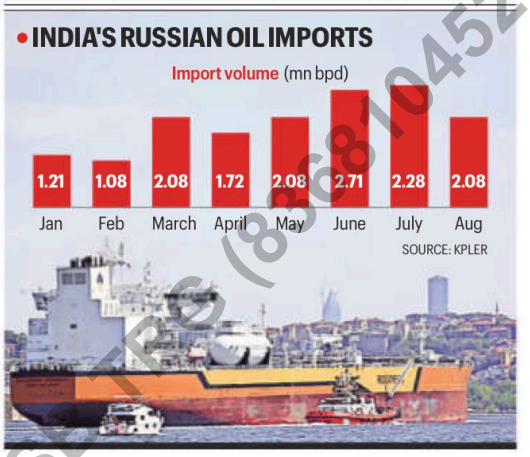
Maintenance shutdowns at a few Indian refineries also likely contributed to lower crude intake.

The fall in Russian volumes was the primary reason for the over 8% decline in India's overall oil imports in August. Notably, though, oil imports from Venezuela touched their highest monthly levels since 2020. With the US allowing Caracas's oil to flow into the global market, India restarted imports of Venezuelan oil a few months ago after nearly a year of zero imports.

According to vessel tracking data from commodity market analytics firm Kpler, India imported 2.08 million barrels per day (bpd) of Russian oil in August, down 26.3% from July's record levels of 2.82 million bpd.

India's total oil imports in August stood at 4.62 million bpd, down 8.4% from July's 5.04 million bpd. Moscow's share in New Delhi's crude diet declined to 45% in August from 55.9% in July. According to Kpler, the shift points to market normalisation rather than a structural retreat from Russian crude, with flows expected to stabilise at 2.0 to 2.5 million bpd in the foreseeable future, which suggests that Russian oil is likely to remain the mainstay of India's oil imports.The import volumes, however, may come under some pressure due to the evolving energy market conditions with Russia's ability to export more being constrained and intensifying competition for Russian barrels from China.

"Russia is exporting less crude both to India and overall, just as China is competing more aggressively for available cargoes. The question for the coming months is therefore whether August represents a temporary retreat or the start of a period in which Russian barrels become scarcer, costlier and harder for Indian refiners to secure," said Abu Dhabi-based energy analyst Natalia Katona. Ukrainian attacks on Russia's oil and gas infrastructure is a key reason for the pressure on Russian oil exports. Attacks on export infrastructure in the Black Sea have become a tangible threat to navigation of energy tankers in the region.



Freight economics are incentivising avoiding the Black Sea routes altogether, according to Katona. For instance, moving a Suezmax tanker from the Black Sea port of Novorossiysk to India's west coast now costs about $20 million, or roughly $20 per barrel, compared with about $13 per barrel if the tanker starts from the Baltic Sea ports. But dispatches from the Baltic Sea ports carry their own risks, as Russian tankers sailing around Europe face detention or seizure by European countries.

"That has encouraged greater use of the Northern Sea Route (NSR), for which August and September are the peak traffic months even in a normal year due to the thinnest ice levels. With Black Sea drone threats adding to the pressure, Russian exporters are sending more vessels through the route, logically making China the most cost-competitive destination," Katona said.

Competition for Russian oil from China has picked up due to a few more factors, which include lower Russian oil exports as Moscow has been trying to maximise domestic refinery production to meet domestic fuel demand amid Ukrainian attacks on its energy infrastructure, and the fall in Iranian oil volumes available to Chinese refiners amid the Strait of Hormuz crisis.

India's crude import strategy has shifted sharply since March 2026 as Strait of Hormuz disruptions tightened West Asian oil flows and increased freight risks. Russian crude remains the backbone of India's import slate, while refiners have diversified aggressively towards African, North American, and South American barrels to offset the drop in supplies from the Gulf.

Interestingly, oil imports from Venezuela in August jumped 60.2% over July to 350,000 bpd, the Kpler data shows. With the US capturing Venezuela's then president Nicolás Maduro early January, Trump had said that Washington would take control of Caracas's oil sector. After that, a few commodity traders were authorised by Washington to sell Venezuelan oil globally, which had been under US sanctions.

About 40% of India's crude imports usually came through the Strait of Hormuz, and a large part of that supply has effectively been offline.

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• INDUS WATERS TREATY

With India rejecting Hague court order, the road ahead

The Court of Arbitration has no means to get its orders enforced, but Pakistan may use this to up the diplomatic ante against India at international fora

AMITABH SINHA

THE PERMANENT Court of Arbitration, adjudicating on a dispute raised by Pakistan on the Indus Waters Treaty, has passed two more orders against India. It has ruled that India's decision to put the Treaty in 'abeyance' was "not permissible under the Treaty or other applicable rules of international law", and therefore the Treaty — which governs the sharing of six transboundary river waters between the two countries — remained "fully in force" and India continued to be bound by it.

The Court also directed India to halt construction work at the Ratle Hydroelectric Project, as requested by Pakistan, till the technical dispute over it is settled.

India has not been participating in this arbitration process, underway for four years, having maintained that the Court was constituted in violation of the provisions of the Treaty. A neutral expert had already been appointed to adjudicate on the same issue, and the Treaty does not allow parallel resolution processes on the same dispute. As such, India said the Court lacked legitimacy, and did not appoint its two arbitrators on the Court.

The Court went ahead with its proceedings with two arbitrators appointed by Pakistan, and three 'umpires' nominated by institutions mentioned in the Treaty.

India's rejection

India's reaction to the two orders on Monday was on expected lines. "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... India's decision to hold the Indus Waters Treaty in abeyance remains in force," the Ministry of External Affairs said.

The two set of rulings on Monday happened to be the fourth 'award' from the Court of Arbitration, set up in September 2022, to adjudicate on objections raised by Pakistan over the construction of a couple of hydropower projects in Jammu and Kashmir. All the 'awards' have, unsurprisingly, gone in favour of Pakistan. In its earlier 'awards', the Court has, among other things, declared itself to be competent enough to adjudicate on the matter, rejecting India's arguments to the contrary made in a letter to the World Bank in December 2022, and also held that its decisions were final and binding upon the parties. India has rejected all the earlier 'awards' as and when they were made, the last one in May of this year.

With Monday's order, the Court has likely finished its work, having addressed all the issues raised by Pakistan.

The Court has no means to get its orders enforced, and therefore, its orders will not bring about any material change. For Pakistan, however, the Court orders are very significant. It is almost sure to use these at every relevant international forum, and also to drive up hysteria against India within the country. These orders are key for it to explore further legal options at the international level.

Road ahead for Pakistan

The best case scenario for Pakistan would be to get the UN Security Council to pass a resolution against India, framing its dispute over the Treaty as a security issue. It has been working towards that aim, and is almost sure to take a shot at it during the remaining four months of its tenure as a non-permanent member of the Security Council. Another alternative would be to get the Security Council or the UN General Assembly to refer the matter to the International Court of Justice.

These are far-fetched scenarios, however, and unlikely to play out as per Pakistan's desires. India has much greater clout at the UN, and can get such moves scuttled.

Besides these efforts, the other option for Pakistan is to try and create a narrative painting India as someone that does not respect international law or abide by treaty provisions. This is something that Pakistan is already indulging in, and the efforts are almost certain to intensify. India, besides creating a diplomatic counter-narrative, is preparing to fight the legal battle, if it becomes necessary. It is not that India does not have a legal case, and it is confident that it can defend its decision to put the Treaty in abeyance.

Road ahead for India

India's main focus is on expeditious completion of the projects that will allow it to make full use of its rights on the three western rivers — Indus, Jhelum and Chenab — allocated to Pakistan under the Treaty. The Treaty's provisions allow India to make limited use of these waters, but this has not been possible because of Pakistan's repeated objections to anything India tries to build on these rivers. India is pursuing eight infrastructure projects on these rivers in Jammu and Kashmir, worth Rs 50,000 crore. At least one of them, seeking to divert waters from the Chenab to the Beas, goes beyond the provisions of the Treaty, which does not allow inter-basin transfer of waters.

For India, the Indus Waters Treaty is as good as dead. 'Abeyance' is deliberately being used to keep it vague, since there is no provision to terminate or suspend it unilaterally.

That is the reason why India disengaged from the neutral expert process last year, which was set up on its own request. India continues to share hydrological data with Pakistan, but only through its high commission in Islamabad, and not through the Permanent Indus Commission set up under the Treaty. Continuing to participate in the neutral expert process or sharing information through the Permanent Indus Commission could be seen as utilising the provisions of the Treaty, which could be contrary to its position that it does not exist.

India has also suggested that the two countries renegotiate the Treaty. But Pakistan realises it is unlikely to get a deal as good as the current one. Also, India is almost sure to insist on a strictly bilateral agreement, without the need for any third party like the World Bank, which Pakistan is unlikely to agree to.

Sharing without a Treaty

The deadlock looks unresolvable in the foreseeable future. The transboundary rivers between India and Pakistan are most likely to continue flowing without any formal agreement on sharing of waters. There are hundreds of instances across the world of transboundary rivers not governed by any water-sharing agreement. India shares rivers with each of its other neighbours — China, Bhutan, Nepal, Bangladesh and Myanmar — and most of these have no formal water-sharing arrangement.

Keeping the Indus Waters Treaty in 'abeyance' does not mean India has stopped the flow of river waters to Pakistan. It cannot do that even if it wanted to. Pakistan continues to receive the river waters as earlier. It would continue to get that even after India completes all the projects on the western rivers. Though the per capita water availability has gone down due to population pressures and climate change, the Indus river system still has sufficient water to cater to the needs of the people living in its basin in India and Pakistan.

• THREE LEVELS OF DISPUTE RESOLUTION IN THE TREATY

Any 'question' over the interpretation or applicability of the Treaty has to be addressed first by the **Permanent Indus Commission**, comprising the Indus Commissioners of the two countries.

If they are unable to resolve the 'question', a 'difference' is deemed to have arisen.

If the nature of the 'difference' is one of the 23 different specified kinds, this can be referred to a **neutral expert**.

If the nature of the 'difference' is something other than the 23 specified types, it is considered to have become a 'dispute', which needs to be adjudicated by a **Court of Arbitration**.

The Court of Arbitration also comes into the picture if the neutral expert decides that the whole matter, or a part of it, should be treated as a 'dispute', or if both the parties decide on this route at any point of time.

In the present case, there was no agreement between the two Commissioners to treat the 'difference' as a 'dispute'. Nor was there a recommendation from a neutral expert that it needed to be treated as a 'dispute'.

Also, the World Bank had set up a neutral expert at India's request. Setting up a Court of Arbitration on the same issue was about instituting a parallel process, which is not allowed in the Treaty. It could also lead to the absurdity of the two processes producing different and irreconcilable decisions.

COURT OF ARBITRATION

An IWT hearing at the Court of Arbitration, The Hague, in April.

The treaty

Under the Treaty, 'Eastern Rivers' of the Indus system — Sutlej, Beas and Ravi — are for India. Pakistan gets water from the 'Western Rivers' — Indus, Jhelum, and Chenab.

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The Treaty allows India limited use of Western rivers too, but this has not been possible because of Pakistan's objections to anything India builds on them

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