

KEJRIWAL SUBMITS RESIGNATION, ATISHI SET TO BECOME DELHI CM

POLITY & GOVERNANCE

Atishi, a senior AAP leader and Delhi Cabinet Minister, is set to become Delhi's third woman Chief Minister after Arvind Kejriwal resigned. Elected as leader of the AAP legislature party, Atishi will serve as CM until the next assembly election, expected in February or potentially earlier if held alongside Maharashtra's elections in November. Atishi emphasized her goal is to ensure Kejriwal's re-election. She criticized the BJP for allegedly conspiring against Kejriwal and targeting AAP's initiatives, like free electricity and healthcare. Both the BJP and Congress criticized the move, with BJP calling her a "dummy" CM.



ROAD MAP IN PLACE FOR MANIPUR, BOTH SIDES SHOULD TALK, SAYS SHAH

INTERNAL SECURITY

Union Home Minister Amit Shah stated that resolving the conflict in Manipur requires dialogue between the Kuki-Zo and Meitei communities. He emphasized that the violence in Manipur is ethnic, not terrorism, and revealed that a road map for peace has been prepared. Shah mentioned that despite recent violence, no major incidents occurred in the past three months, and discussions are ongoing with both communities. He denied rumours of Manipur Chief Minister N. Biren Singh's resignation and highlighted the government's border security measures, including fencing along the Myanmar border.

The
More
You Learn,
The
More
You Earn



www.vedhikiasacademy.org


VEDHIK
IAS ACADEMY
The New Learning Mantra



SC FREEZES ILLEGAL 'BULLDOZER' ACTION TILL HEARING ON OCT. 1

POLITY & GOVERNANCE

The Supreme Court on Tuesday froze illegal bulldozer demolitions across the country till October 1, drawing attention to reports of "glorification, grandstanding and even justifications" of the razing of private homes and properties of under trials and their immediate family members. A Bench of Justices B.R. Gavai and K.V. Viswanathan said the authorities had continued with the demolitions despite a Supreme Court order on September 2 that the law did not permit the destruction of homes and properties of accused awaiting trial, or even of convicts. The court had observed that the authorities would not be permitted to bulldoze the laws of the land.

The court said there would be no bulldozer demolitions without the leave of the Supreme Court till October 1, the next date of hearing. The court said the stay order would, however, not apply to unauthorised structures on public roads, streets, footpaths, or abutting railway lines, or on public places such as water bodies.

Seeks assistance

Justice Viswanathan asked Mr. Mehta to assist the court on ways to stop illegal, retributory or communal demolitions by State or municipal authorities. The judge said the court could even arraign the Election Commission in the case.

AFTER A DECADE-LONG WAIT, J&K VOTES TODAY IN ASSEMBLY ELECTION

POLITY & GOVERNANCE



Multi-tier security arrangements are in place in Jammu & Kashmir for the first phase of the much-awaited Assembly election in 24 constituencies in seven districts of the Kashmir and Jammu divisions on Wednesday. This is the first election since J&K was downgraded to a Union Territory in 2019 and its special status was revoked. Enhanced security, including extra troops, has been deployed across 3,276 polling stations, especially in Doda and Kishtwar, areas with recent militancy. The delimitation process has reshaped constituencies, benefiting certain communities. The BJP is aiming to capitalize on this by targeting seats in Hindu-majority areas. Security is tight, with checkpoints, cameras, and drones in place to ensure safe voting.

Doda and Kishtwar in the Chenab Valley, which witnessed heightened militancy this year and frequent gun battles, are among the districts going to the polls in this phase. Officials said the Army and the J&K Police had stepped up area domination in the upper reaches of the two districts, which have six seats, early this month.

In the Chenab Valley, the J&K Delimitation Commission has created two new Assembly constituencies, favoring the BJP due to a demographic shift toward the Hindu majority. Doda West and Padder-Nagseni are Hindu-majority constituencies, while Inderwal remains the only Muslim-majority constituency in Kishtwar. A general security alert has been issued across Jammu and Srinagar, with additional checkpoints, cameras, and drones deployed for security. In the first election phase, 219 candidates will contest for over 23.27 lakh voters, including a significant number of youth voters. Webcasting will be available at 3,276 polling stations, primarily in rural areas.

An official said 219 candidates are in the fray in the first phase which has over 23.27 lakh voters — 11.76 lakh men and 11.51 lakh women. Approximately, 5.66 lakh eligible voters between the ages of 18 and 29, including 1,23,960 lakh voters aged 18 or 19. Among these first-timers, 10,261 are men and 9,329 women. The polling stations — 302 urban and 2,974 rural — have webcasting facilities.

NO PROGRESS IN RESOLUTION OF DEMCHOK AND DEPSANG FRICTION POINTS IN 2 YEARS

INTERNAL SECURITY

External Affairs Minister S. Jaishankar's statement about 75% disengagement between India and China along the LAC in eastern Ladakh has garnered attention. While both sides have disengaged from five friction points, two key areas, Demchok and Depsang, remain unresolved after two years. Optimism for further disengagement arises ahead of the October BRICS Summit. Despite hopes for de-escalation, no progress has been made since the last disengagement in 2022. Since 2020, disengagement has occurred at Galwan, Pangong Tso, Gogra-Hot Springs, and Patrolling Point 15, following Corps commander-level talks.



UKRAINE, GAZA WAR FIGURE IN INDIA-U.S. DISCUSSION BEFORE MODI'S VISIT FOR QUAD SUMMIT

INTERNATIONAL RELATIONS

Senior Indian and U.S. officials met in New Delhi for a "2+2 intersessional dialogue" ahead of Prime Minister Modi's visit to the U.S. The discussions, involving both defence and diplomatic officials, covered global issues like the Russia-Ukraine conflict and Israeli operations in Gaza, as well as bilateral strategic and defence priorities. Modi will attend a Quad summit in Wilmington hosted by U.S. President Biden, focusing on Indo-Pacific issues, including cooperation on semiconductors and maritime security. The Quad's discussions may touch on Ukraine and Gaza, although the focus remains on Indo-Pacific strategies.



MASTER THE NEW LEARNING MANTRA

VEDHIK
IAS ACADEMY
The New Learning Mantra

www.vedhikiasacademy.org

GOVT. PLANS TO REVIEW WAGE LIMIT FOR EPS CONTRIBUTION

POLITY AND GOVERNANCE



Union Labour Minister Mansukh Mandaviya announced that the Centre is considering removing the wage ceiling for contributions to the Employees' Pension Scheme (EPS) to allow subscribers to invest more. Currently, contributions are based on a maximum wage ceiling of ₹ 15,000, with 8.33 % allocated to the pension fund. The government aims to raise this limit and is also reviewing the minimum pension amount under the EPS. Regarding delays in distributing higher pensions following a Supreme Court verdict, the EPFO platform is set for review under Mission 3.0 to assist subscribers.

Union Labour Minister Mansukh Mandaviya announced that the Ministry will soon submit a Cabinet note on the employment-linked incentive (ELI) scheme, as outlined in the Union Budget, and is finalizing an internship scheme with the Corporate Affairs Ministry. The e-Shram portal, which has registered over 30 crore unorganised workers, will be expanded to help workers access job opportunities and social security schemes. The portal will also help identify eligible workers for various schemes. Additionally, the EPFO increased the limit for auto claim settlements of partial withdrawals from ₹50,000 to ₹ 1,00,000, reducing processing time from 10 days to 3-4 days.

New tech to address stray cattle menace, says Minister

Union Minister Rajiv Ranjan Singh stated that technologies like In vitro fertilisation (IVF) and sex-sorted semen production will help address the issue of stray cattle by improving breed quality. He emphasized that farmers would not abandon good-quality bulls. Singh also highlighted achievements from the first 100 days of the Modi government's third term, including free artificial insemination services delivered to farmers. So far, 7.53 crore animals have been covered, 9.15 crore artificial inseminations performed, and 5.4 crore farmers benefited from the program.

An advertisement for Vedhik IAS Academy. It features a smiling woman with long brown hair in the foreground, pointing towards the camera. In the background, a classroom setting is visible with students and a teacher. The Vedhik IAS Academy logo, a red spiral, is positioned to the right of the woman. Below the logo, the text reads "VEDHIK IAS ACADEMY" and "The New Learning Mantra". The website address "www.vedhikiasacademy.org" is listed below. A white call-to-action box contains the text "Comprehensive Coaching For 568 Government Jobs" and the website address "www.vedhikiasacademy.org".

GOLD TIDE LIFTS IMPORTS TO RECORD

ECONOMICS AND DEVELOPMENT



India's goods exports fell by 9.32 % to \$ 34.71 billion in August, while imports hit a record high of \$ 64.36 billion, driven by a surge in gold imports, which doubled to \$ 10.1 billion. This led to a trade deficit of \$ 29.65 billion, the second-largest monthly gap in merchandise trade. Commerce Secretary Sunil Barthwal downplayed concerns, stating that trade deficits are not worrisome for a growing economy without foreign exchange issues. He attributed the rise in gold imports to factors such as a reduction in import duty, lower global gold prices, and seasonal demand from jewellers.

India's oil imports dropped by 32.4% to \$11 billion, and petroleum product exports fell by 37.6% to under \$6 billion. Additionally, gems and jewellery exports decreased by 23.1% to below \$2 billion. Commerce Secretary Sunil Barthwal attributed the decline in petroleum exports to lower oil prices and explained that the gems and jewellery sector was impacted by G7 sanctions after the Russia-Ukraine conflict, making it harder to source rough diamonds.

'Current account gap'

ICRA chief economist Aditi Nayar predicted that the significant widening of the merchandise trade deficit in August could increase the current account deficit to 1.5-2% of GDP for the current quarter.

NINE KILLED AS PAGERS USED BY HEZBOLLAH EXPLODE AT ONE GO

INTERNAL SECURITY

On Tuesday, pagers used by Hezbollah members exploded simultaneously in Lebanon and Syria, killing at least nine people, including an 8-year-old girl, and injuring over 2,800. The explosions, which targeted newly acquired pagers the group had switched to from cell phones, were blamed on Israel. The incident occurred amid escalating tensions between Israel and Iran-backed Hezbollah, which have been exchanging fire since the October 7 Hamas attack on Gaza. Iran's Ambassador to Lebanon was among the wounded.

On Tuesday at around 3:30 p.m., pagers began overheating and exploding in the pockets and hands of users, particularly in a southern Beirut suburb, the Beqaa region of eastern Lebanon, and Damascus. The explosions injured several Hezbollah members and occurred in areas with a strong Hezbollah presence, according to Lebanese security officials and a Hezbollah spokesperson.

At about 3:30 p.m. on Tuesday, pagers started heating up and then exploding in the pockets and hands of those carrying them — particularly in a southern Beirut suburb and the Beqaa region of eastern Lebanon where Hezbollah has a strong presence, and in Damascus, where several Hezbollah members were wounded.

The explosions came hours after Israel's internal security agency said it had foiled an attempt by Hezbollah to kill a former senior Israeli security official using a planted explosive device that could be remotely detonated.

Experts said the pager explosions showed signs of being a long-planned operation — though the means were not immediately known. Investigators had no immediate word on how the pagers were detonated or if explosives had somehow been sneaked into each pager.



BANGLADESH INTERIM GOVT. GIVES ARMY POLICING POWERS

INTERNAL SECURITY



The interim government of Bangladesh on Tuesday granted magisterial and policing powers to the Bangladesh Army. An order issued by the Ministry of Public Administration announced the Bangladesh Army will exercise the granted powers for the next 60 days.

Bangladesh Army chief General Waker-uz-Zaman had taken charge briefly after Prime Minister Sheikh Hasina fled the country and took refuge in India. He however took a back seat with the swearing in ceremony of the interim government on August 7. The delegation of magisterial powers to the Army will allow the army to carry out police and jail related functions as well as the task of executive magistrates.

Policing in Bangladesh has been severely impacted since the collapse of the Sheikh Hasina government on August 5 as the fall of the government rendered the police vulnerable to retribution from the masses because of the role of the police in the crackdown against the anti-Hasina protesters. The interim government led by Mohammad Yunus took charge on August 7 but has faced continuous law and order challenges ever since.



**START YOUR
JOURNEY WITH THE
BEST**

COME JOIN WITH US



WE AIM TO INSPIRE YOU

POST-1991, SOUTHERN STATES EMERGED AS LEADERS: EAC-PM

ECONOMICS AND DEVELOPMENT

Rise and fall of economic fortunes

The charts are based on data sourced from the Economic Advisory Council's paper, "Relative Economic Performance of Indian States: 1960-61 to 2023-24"

Chart 1: The chart shows the relative per capita income levels. It is a percentage of per capita Net State Domestic Product of a State to the all-India per capita Net National Product or per capita Net National Income

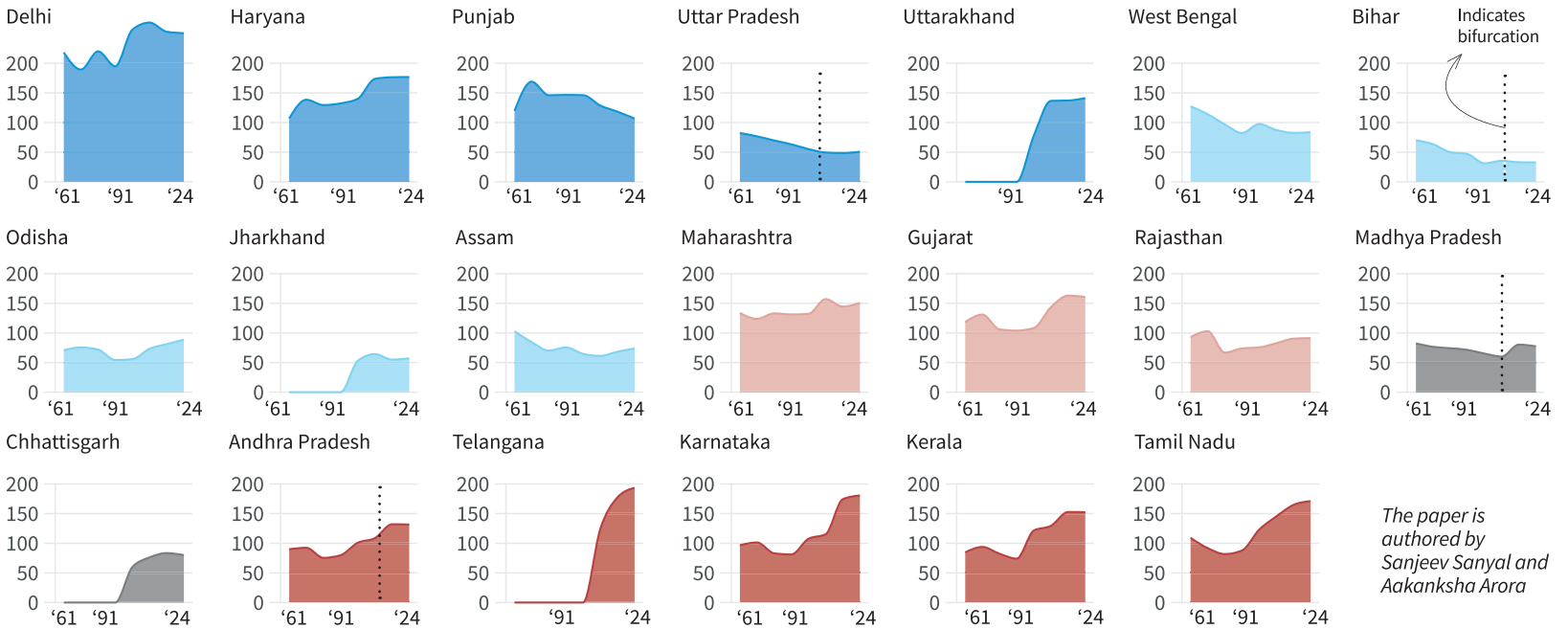


Chart 2: The chart shows the State's share in national GDP. It is defined as the ratio of a State's Gross State Domestic Product to the sum of GSDP of all States. The darker the blue, higher the share in national GDP

■ In chart 2, figures for Andhra Pradesh, Uttar Pradesh, Bihar and Madhya Pradesh are that of undivided States post bifurcation and of divided States post-bifurcation

■ Among smaller States, Goa led the list, with its relative per capita income doubling compared to the 70s. Chandigarh also recorded a high income level, though it had declined marginally recently

State	1960-61	1970-71	1980-81	1990-91	2000-01	2010-11	2020-21	2023-24
Delhi	1.4	1.5	2.3	2.6	3.7	3.7	3.7	3.6
Haryana	1.9	2.7	2.9	3.1	3.2	3.8	3.6	3.6
Punjab	3.2	4.4	4.3	4.3	3.9	3.3	2.7	2.4
Uttar Pradesh	14.4	13	13.2	12.6	10.2	8.7	8.2	8.4
Uttarakhand	-	-	-	-	0.7	1.2	1.1	1.1
West Bengal	10.5	9.7	8.8	7.9	8.2	6.7	5.7	5.6
Bihar	7.8	6.9	6.3	6	2.8	2.9	2.8	2.8
Odisha	2.9	3.2	3.2	2.5	2.3	2.9	2.7	2.8
Jharkhand	-	-	-	-	1.7	1.8	1.5	1.5
Assam	2.6	2.4	2.1	2.4	1.9	1.6	1.7	1.9
Maharashtra	12.5	11.9	14.2	14.6	14	15.2	13	13.3
Gujarat	5.8	6.7	6.3	6.4	6.4	7.5	8	8.1
Rajasthan	4.4	5.1	3.9	4.7	4.6	4.9	5.1	5
Madhya Pradesh	6.3	6.1	6.6	6.9	4.3	3.8	4.7	4.5
Chhattisgarh	-	-	-	-	1.5	1.7	1.7	1.7
Andhra Pradesh	7.7	7.7	7	7.6	8.2	4.6	4.9	4.7
Telangana	-	-	-	-	-	3.8	4.7	4.9
Karnataka	5.4	5.7	5.3	5.3	6.2	5.9	8.1	8.2
Kerala	3.4	3.8	3.6	3.2	4.1	3.8	3.8	3.8
Tamil Nadu	8.7	7.3	6.9	7.1	8.3	8.4	8.9	8.9

Post-liberalisation in 1991, the per capita income of the southern States surged significantly and they emerged as “leading performers”, shows an analysis released by the Economic Advisory Council to the Prime Minister (EAC-PM). In contrast, the economic performances of Uttar Pradesh and Bihar regressed and worsened after bifurcation. Among the western States, Maharashtra and Gujarat consistently performed well. Gujarat exhibited rapid growth from the beginning of the millennium. Among the northern States, Delhi and Haryana performed exceptionally well, though the latter’s economic might is mostly drawn from Gurugram and its adjoining areas.

Punjab had a head start due to the Green Revolution in the 1960s and ‘70s, but its performance has consistently declined thereafter. The EAC-PM’s paper questions whether this was a case of excessive focus on agriculture hindering a transition to industrialisation.

The eastern States continue to “remain a concern”, the paper notes. West Bengal, especially, which had the third best per capita income in the 1960s, regressed rapidly to become the 14th best among the major States. The report does not consider Goa, Himachal Pradesh, north-eastern States other than Assam, and Union Territories other than Delhi as major States.

Rajasthan and Odisha, which had recorded declines until liberalisation, saw a turnaround thereafter, though the degree of rise in income levels was minimal. The per capita income levels in Chhattisgarh and Madhya Pradesh have remained consistently low.

CRACKING CIVIL SERVICES NO MORE A DIFFICULT TASK

COME JOIN WITH US



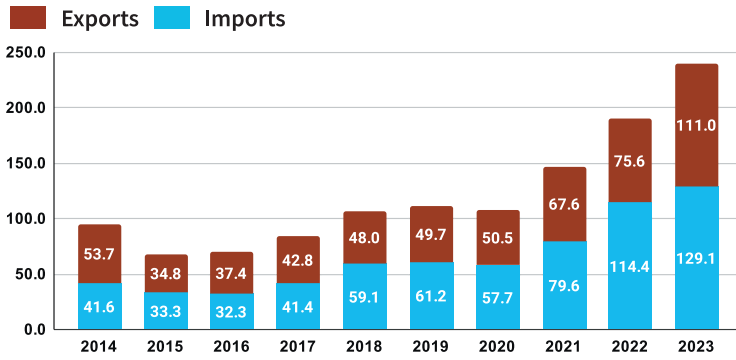
POWER ASYMMETRY BETWEEN CHINA AND RUSSIA

INTERNATIONAL RELATIONS

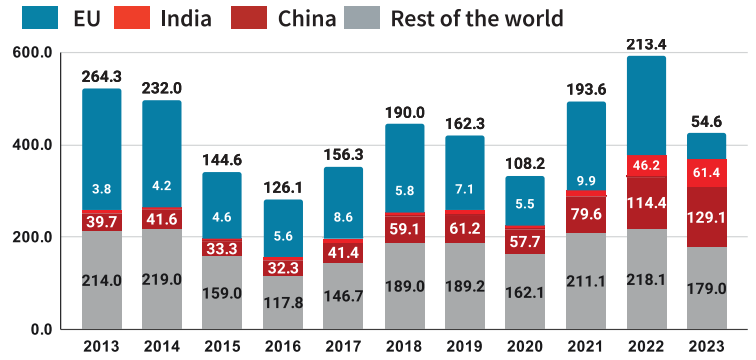
A new power nexus?

After the Russia-Ukraine war began, Russia has become completely dependent on China for its requirement of high-priority goods — a list of “50 dual-use products that are essential for manufacturing weaponry like missiles, drones, and tanks”

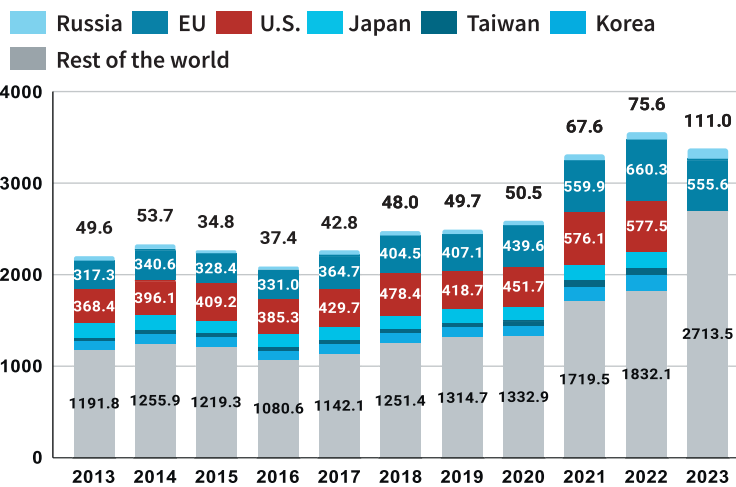
China's trade with Russia (in \$ billion)



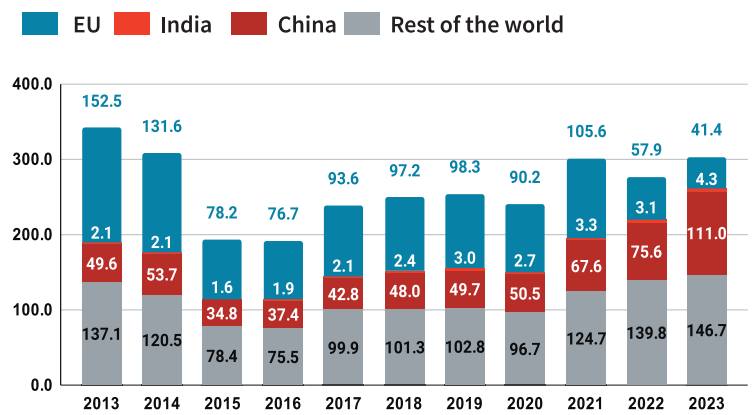
Russia's exports (in \$ billion)



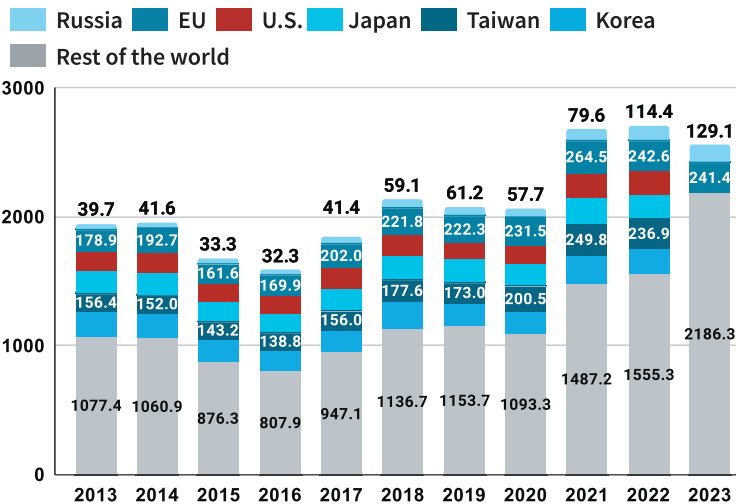
China's export basket (in \$ billion)



Russia's imports (in \$ billion)

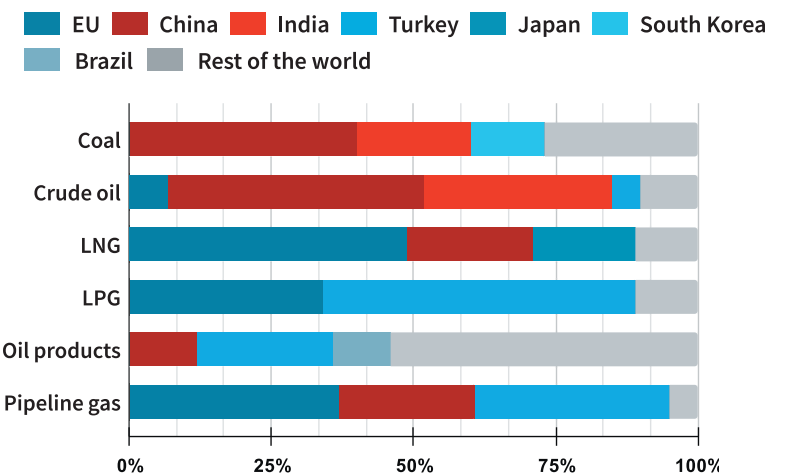


China's import basket (in \$ billion)



Russia's largest energy buyers

(Since EU sanctions until December 2023)



Note: China did not release individual figures for all countries in 2023. Rest of World figures inclusive of the U.S., Japan, Taiwan, and Korea.

Source: Bank of Russia; National Bureau of Statistics (China); Ministry of Commerce; EuroStat; General Administration of Customs (China); CREA

The Russian invasion of Ukraine in 2022 has brought about a major shift in the world order. Not only did it bring about a stronger trans-Atlantic alignment vis-a-vis Russia, but it has also pushed the latter closer to China. Consequently, strategists around the globe have been preoccupied with the repercussions of such a partnership between the two countries. The deepening Sino-Russian relationship has become a subject of discussion in India as well. The concern that one of India's most trusted partners now possibly shares an indispensable friendship with India's primary adversary has instigated debate around the reliability of Russia as a security partner. In this context, the most recurrent question that is being raised is: has Russia become a junior partner of China? The answer to the question will determine the autonomy that the Kremlin can exercise when it comes to choosing between Beijing and New Delhi.

Against the U.S.-led financial order

The two countries have a shared grievance against the dual hegemony of the dollar and the SWIFT messaging system central to the current global financial system. Their perpetual tension with the U.S.-led geopolitical order of the West puts them in a vulnerable spot — the effects of which have become more pronounced lately.

Following Russia's invasion of Ukraine in 2022, the U.S. and its allies froze close to \$300 billion of Russia's forex reserves held overseas. China fears a similar threat in the event of a conflict with the West as around \$770 billion of China's \$3 trillion forex reserves are currently held in U.S. treasuries. Further, in 2024, the West imposed a SWIFT ban on Russian financial institutions involved in transactions of dual-use goods or weapons. The U.S. also threatened secondary sanctions on third-country financial institutions involved in such transactions with Russia. Fearing secondary SWIFT sanctions, Chinese financial institutions have withheld transactions worth tens of billions of yuan from Russia.

Thus, the two countries have a joint objective to reform (upend) the existing financial and economic order. The two have tried to promote de-dollarisation and alternative payment settlement systems, albeit without much success. Even as the two settled more than 90% of their bilateral trade in local currencies in 2023, this amounted to less than a percent of current account transactions globally. Renminbi-denominated transactions in settling trade amount to only around 6% of global transactions, which were otherwise dominated by the dollar, euro, pound and yen.

China's effort to promote the Cross-Border Interbank Payment System (CIPS) — its home-grown payment settlement system — is far from challenging SWIFT anytime soon, limiting its utility.

However, Russia's isolation from the Western-dominated global financial system makes its need for an alternative much more urgent. China's requirements aren't as urgent despite its grievances, as Beijing is still very much a part of the system. This essentially leaves Russia at China's mercy to set the pace for reforms. Furthermore, China alone has the diplomatic and monetary resources to mount a potential challenge to the Western-dominated financial order. Russia's isolation and limited resources render it completely dependent on China to pull it out of its misery.

Asymmetry in bilateral trade

At first glance, China-Russia trade appears symmetric over the years. In fact, Russia maintains a modest trade surplus over China. However, the asymmetry becomes apparent when their bilateral trade is put in the wider context of their respective overall trade.

In 2023, while exports to China made up for around 30.4% of Russia's total exports, Russia accounted for only 3% of China's total exports. While imports from China accounted for 36% of Russia's total imports in 2023, China's imports from Russia amounted to ~5% of its total imports.

Secondly, more than 70% of Russia's exports to China were energy (fossil fuel) in 2022. In contrast, China's exports to Russia were relatively more diversified. This makes Russia's exports to China prone to shocks and uncertainties. Thirdly, not only are Russia's exports to China dominated by energy, but a majority of Russia's global energy exports are also concentrated in China. This is significant because the revenues from the energy sector have contributed between 30-50% of Russia's annual federal budget in the last 10 years. Moreover, the oil and gas sector contributes about 20% of Russia's GDP.



"If you invest more in your education, then you are likely to get more interest in it."

—Benjamin Franklin



VEDHIK

IAS ACADEMY

The New Learning Mantra

START YOUR JOURNEY WITH THE BEST

**INDIA'S
TOP MOST
CIVIL SERVANTS
FOR COACHING**

www.vedhikiasacademy.org

Head Office:
Vedhik IAS Academy
Mercy Estate,
MG Road, Ravipuram,
Ernakulam-682 015,

Corporate office:
Vedhik IAS Academy
Samkalp Bhawan, Plot No.15,
Sector 4, Rama Krishna Puram,
New Delhi, Delhi-110022

Regional office
Vedhik IAS Academy
202, Raheja Chambers, 12,
Museum Road. Bangalore -
560001. Karnataka, India.

GCC Office:
Bobscoedu,
Bobsco Trading & Contracting Co. W. L . L
Office 22, Dream Tower 1,
Road: 2701, Adliya, Kingdom of Bahrain
www.bobscoedu.com