02/04/2025 Wednesday www.vedhikiasacademy.org

DAILY NEWS ANALYSIS

POLITY

ECONOMICS

TECHNOLOGY

ECOLOGY

21 killed in explosion at firecracker warehouse

INTERNATIONAL RELATIONS



A powerful blast and fire at an illegal firecracker warehouse in Banaskantha, Gujarat, killed at least 21 people, including women and children, and injured six others on Tuesday. The explosion, which occurred near Deesa town, was so intense that body parts were found 200-300 meters away. Most victims were from Madhya Pradesh. The warehouse owner. Deepak Mohnani, was arrested. Prime Minister Narendra Modi and Chief Minister Bhupendra Patel announced ex gratia payments for victims. Opposition parties blamed the BJP government for nealiaence.

Bulldozing of six homes in U.P.'s Prayagraj inhumane and illegal: Supreme Court

POLITY & GOVERNANCE



The Supreme Court ruled that the Prayagraj Development Authority's demolition of six homes was "inhumane and illegal." A Bench led by Justice A.S. Oka ordered the authorities to compensate each homeowner with ₹10 lakh for violating their fundamental right to shelter without following due process.

Pasting of notices

The Supreme Court, led by Justice Oka, condemned the illegal demolition of houses by a development authority in 2021, stating it violated the fundamental right to shelter under Article 21. The court criticized the practice of merely affixing show-cause notices instead of properly serving them, denying homeowners due process. It highlighted that Section 27 of the Uttar Pradesh Urban Planning and Development Act mandates prior notice and a chance to appeal before demolition. In this case, notices were affixed on December 18, 2020, but the first registered post was received only on March 6, 2021, a day before the demolition. The court ruled that such actions shocked its conscience and reaffirmed that the rule of law must be upheld.

— 02/04/2025 Wednesday—

APRII

November 2024 verdict

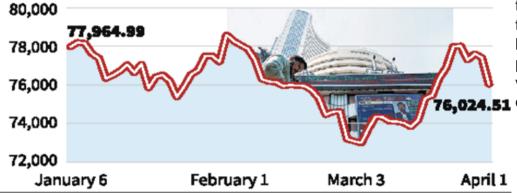
The Supreme Court referenced its November 2024 judgment, In Re Directions In The Matter Of Demolition Of Structures, which mandated precautions, including a 15-day prior notice before demolition. Though the present case occurred before that ruling, the Bench noted that Section 43 of the Uttar Pradesh Urban Planning and Development Act, 1973, already required authorities to make genuine efforts to serve show-cause notices before demolitions.

Tariff scare spooks markets; Sensex plunges 1,390 points

ECONOMICS & DEVELOPMENT

Tariff tumble

The BSE Sensex dropped 1,390 points, or 1.8%, to 76,024, while the NSE Nifty slipped 354 points, or 1.5%, to 23,165



Indian stock markets fell nearly 2% due to investor fears over impending U.S. tariffs set to take effect on April 2. The BSE Sensex dropped 1,390 points (1.80%) to 76,024, while the NSE Nifty-50 fell 354 points (1.5%) to 23,165, with technology, finance, and banking stocks leading the decline. In contrast, gold prices hit record highs of ₹91,120 per 10 gm in India and \$3,120 per ounce globally, as investors sought safe-haven assets. The U.S. dollar index also strengthened to 103.9.

On the first day of the new financial year,

Source: CMIE

Bulldozing of six homes in U.P.'s Prayagraj inhumane and illegal: Supreme Court

POLITY & GOVERNANCE

Following The Hindu's February 2 report on industrial pollution killing marine life in Navi Mumbai, the Maharashtra Pollution Control Board (MPCB) conducted a field visit to Diwale creek on February 6 and collected water samples for testing. The March 4 MPCB test results showed high levels of suspended solids, biochemical oxygen demand (BOD), chloride, and chemical oxygen demand (COD), though oil and grease were undetectable.

Doubting MPCB's findings, the Maharashtra Small Scale Traditional Fish Workers Union conducted independent tests on March 24, with results published on March 29. Their tests in Diwale and Nhava Shewa creeks showed severely polluted water with high total dissolved solids (20,998 mg/l vs. the 2,100 mg/l limit), COD (6,361 mg/l vs. 250 mg/l), and BOD



(2,140 mg/l vs. 20 mg/l). Fecal coliform levels (2,675 MPN/100 ml) also exceeded safe limits (1,000 MPN), indicating possible health risks.

No response

MPCB officials did not respond to discrepancies between their report and independent tests. Once vital ecosystems, the creeks have turned black and are filled with dead marine life, endangering both biodiversity and the livelihoods of traditional fishermen. Despite multiple complaints to state authorities, no action has been taken. Environmentalist Nandakumar Waman Pawar criticized MPCB for denying industrial pollution's impact, stating that the water bodies are dying despite clear evidence."

INSV Tarini reaches final stopover of global circumnavigation

PERSONALITIES IN NEWS

INSV Tarini, crewed by women officers Lt. Cdr. Dilna K. and Lt. Cdr. Roopa A., reached Cape Town, South Africa, marking the final stop in their Navika Sagar Parikrama II global circumnavigation. The vessel was welcomed by Indian and South African officials, along with a naval band. Tarini will remain docked for two weeks for maintenance, during which the crew will engage with the South African Navy and participate in community outreach. The vessel is set to depart on April 15

for its final journey back to India.



The Navika Sagar Parikrama II expedition, flagged off from Goa by Admiral Dinesh K. Tripathi on October 2, 2024, aims to cover over 23,400 nautical miles across three oceans in about eight months. INSV Tarini has made stopovers in Fremantle (Australia), Lyttelton (New Zealand), and Port Stanley (Falkland Islands) before reaching Cape Town, its final stop before returning to Goa in May 2025. The voyage has been highly challenging, with the crew facing rough seas, freezing temperatures, stormy weather, winds over 50 knots (93 km/h), and seven-meter-high waves.

INSV Tarini, a 56-foot indigenous sailing vessel commissioned in February 2017, has undertaken multiple expeditions. Its port call in Cape Town strengthens India-South Africa naval ties. Previously, INS Talwar participated in Exercise IBSAMAR in October 2024, and INS Tushil made a port call at Durban in January 2025.

Six districts 'most-affected' by left-wing extremism: Shah

INTERNAL SECURITY

Union Home Minister Amit Shah announced that the number of most-affected districts by left-wing extremism in India has reduced from 12 to six, reflecting the government's strong stance against Naxalism and its focus on development. The total number of Naxal-affected districts has also declined from 38 to 18. The six most-affected districts now include Bijapur, Kanker, Narayanpur, and Sukma (Chhattisgarh), West Singhbhum (Jharkhand), and Gadchiroli (Maharashtra). The government aims to eliminate Naxalism by March 31, 2026.



Districts of concern

The districts of concern requiring additional resources beyond the severely affected areas include Alluri Sitarama Raju (Andhra Pradesh), Balaghat (Madhya Pradesh), Kalahandi, Kandhamal, and Malkangiri (Odisha), and Bhadradri Kothagudem (Telangana). The other affected districts are Dantewada, Gariaband, and Mohla-Manpur-Ambagarh Chowki (Chhattisgarh); Latehar (Jharkhand); Nuapada (Odisha); and Mulugu (Telangana).

Financial assistance

The Indian government provides financial aid under the Special Central Assistance scheme, allocating ₹30 crore to most-affected districts and ₹10 crore to districts of concern

to improve public infrastructure. Special projects are also implemented as needed. The Home Ministry attributed the rapid decline in left-wing extremism to new security camps in core insurgency areas and development initiatives, including improved roads, transport, water, electricity, and welfare schemes reaching villages.

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Rajya Sabha passes Bill for resolving airline

The Rajya Sabha passed the *Protection of Interests in Aircraft Objects Bill, 2025*, which aligns Indian law with the Cape Town Convention to resolve disputes between airlines and lessors. Addressing past issues like those involving Spice-Jet and Go First, Civil Aviation Minister K. Rammohan Naidu stated that the Bill would provide clarity and boost the leasing industry. With 86% of India's 850 aircraft leased, the Bill is expected to lower leasing costs by 8-10%, potentially reducing airfares. It designates the DGCA as the implementing authority. The Cape Town Convention ensures creditors can reclaim high-value aviation assets in case of default.

China-India ties across the past and into the future

INTERNATIONAL RELATIONS

April 1, was the 75th anniversary of the establishment of diplomatic relations between China and India. Despite the ups and downs, China-India relations have always surged forward like the Yangtze and the Ganges. Looking back at this extraordinary journey, there are four inspirational factors embedded therein that are worth drawing upon.

Leaders and their guidance

The key aspects of China-India relations:

- Strategic Leadership as an Anchor Leaders of both nations have guided relations over 75 years, from Nehru and Mao establishing diplomatic ties in 1950 to Modi and Xi's recent engagements, shaping bilateral progress.
- Cooperation as the Foundation Historical and cultural ties, along with increasing economic cooperation, have strengthened relations, with bilateral trade growing from \$3 billion in 2000 to \$138.5 billion in 2024.
- Dialogue to Resolve Differences Disagreements are natural between neighbours, but diplomatic mechanisms like the Special Representative Mechanism have helped maintain border stability through dialogue.
- Shared Global Responsibility Both nations have historically influenced global development, supported multilateralism, and should continue to advocate for developing countries' rights through forums like BRICS, SCO, and G-20.

On the ground

China-India relations are among the world's most crucial bilateral ties, benefiting both nations, regional stability, and global peace. Recently, both countries have implemented key agreements, with Foreign Ministers meeting multiple times and holding dialogues on the boundary issue. Economic and trade cooperation is growing, and people-to-people exchanges are increasing, as seen in over 70,000 visas issued to Indians in early 2025. Emphasizing mutual cooperation, the passage advocates for the "dragon-elephant tango"—a collaborative approach for peaceful coexistence and shared development.

Steps for Beijing and New Delhi to take

- There is a need for a strong China-India relationship based on mutual respect and cooperation. It outlines three key aspects:
- Healthy and Stable Relations Both nations should view each other as partners, handle differences through dialogue, and ensure the boundary issue does not dominate ties.
- Mutually Beneficial Cooperation China and India should align their development strategies, promote economic growth, and resume exchanges in various fields.
- International Collaboration As key members of the Global South, both countries should work together to protect developing nations' interests, support multipolarity, and enhance global economic inclusivity.

With leadership guidance and joint efforts, the passage envisions China and India progressing toward shared development and a more cooperative global future.









Pension woes

POLITY & GOVERNANCE

The parliamentary committee on Labour, Textiles, and Skill Development has emphasized the urgent need to revise the minimum monthly pension of ₹1,000 under the Employees' Provident Fund Organisation (EPFO), which has remained unchanged since August 2014. The BJP-led government continues to take credit for the pension hike, despite it being a decision made earlier by the Congress-led UPA. Notably, in 2014, when in opposition, the BJP criticized the ₹1,000 pension as inadequate, with senior leader Prakash Javadekar demanding a minimum of ₹3,000.

The government currently allocates ₹980 crore annually for minimum pension payments under the Employees' Pension Scheme (EPS), but this needs to triple for a meaningful increase. The Centre contributes 1.16% of wages (capped at ₹15,000/month) to the EPS corpus, with funding expected to exceed ₹10,000 crore in 2025-26. While the government argues that additional financial burden is unaffordable, feasible solutions have been proposed to manage the costs.

Meanwhile, the EPFO's handling of higher pension applications has been problematic. Many applicants receive demand notices requiring large contributions but remain uninformed about their entitled pension amounts and arrears. The EPFO has failed to issue official communication, instead relying on an online calculator with no accuracy guarantee. The situation is worse for pensioners from exempted establishments, where applications for higher pensions have been rejected, and previously sanctioned pensions have been stopped without explanation. The Union government must consult stakeholders, revise pension amounts, and ensure fair treatment for all member-pensioners.

House panel suggests raising creamy layer limit from ₹8 lakh

POLITY & GOVERNANCE

A parliamentary committee on OBC welfare has recommended raising the ₹8 lakh income limit for determining the "creamy layer", calling it outdated and too low to benefit a significant portion of OBCs. The committee, led by BJP MP Ganesh Singh, urged the Union government to consult stakeholders and set a substantially higher limit to expand access to reservation and welfare schemes.

The creamy layer concept, introduced after the 1992 Indra Sawhney judgment, excludes socially advanced sections within OBCs from government benefits. One of its key criteria is a family income cap, which the committee now seeks to revise.

The Parliamentary Committee on OBC Welfare has recommended raising the ₹8 lakh creamy layer income limit, which was last revised in 2017 and initially set at ₹1 lakh in 1993. The committee emphasized this need in multiple reports tabled in the Lok Sabha, focusing on OBC reservation and welfare schemes under the DoPT and Social Justice Ministry.

Additionally, the committee urged the government to ensure Central job quota data is included in Annual Reports and uploaded online. It noted that the DoPT had launched the RRCPS portal to collect and monitor reservation data.

The Parliamentary Committee on OBC Welfare has urged the government to make job quota data on the RRCPS portal public for transparency. This follows a 2024 report by The Hindu highlighting that the DoPT's 2023-24 Annual Report omitted quota data for the first time in two decades, citing compilation delays.

The committee also noted inconsistencies in creamy layer income calculations across States and recommended that the Centre engage with States to establish a uniform formula for determining the creamy layer.

Leave it alone

INTERNATIONAL RELATIONS

U.S. Vice President J.D. Vance's visit to Greenland reaffirmed President Donald Trump's renewed push to assert control over the Arctic island, sparking strong opposition from Greenland's leaders and Denmark. While inspecting the Pituffik Space Base, Mr. Trump stated that the U.S. would do whatever necessary to acquire Greenland.

The U.S. push to control Greenland is facing strong local and Danish opposition, as Greenland has evolved from a Danish colony to an autonomous territory with growing nationalist sentiment—over 80% support full independence, and 85% oppose U.S. control.

Geopolitical motives drive U.S. interest, as climate change is making the Arctic more accessible for navigation and resource extraction. With Russia strengthening its Arctic presence, Washington sees Greenland as key to expanding its Arctic claims.

However, this imperialistic approach risks violating principles of sovereignty and destabilizing the post-war international order. The U.S. must respect Greenland's democratic will, rather than pursue control through strategic and economic pressure.

Richer States could lose political clout in population-based delimitation

POLITY & GOVERNANCE

India faces a governance challenge due to regional disparities in wealth and population, impacting political representation (delimitation) and resource distribution (tax devolution).

Originally, Lok Sabha seats were to be redrawn after every Census, but delimitation was frozen in 1976 to allow population stabilization across regions. It was postponed until 2026, assuming economic and demographic convergence, which has not occurred.

Charts 1, 2 and 3: The vertical axis shows relative income levels, while the horizontal axis shows each State's share in population State of States Relative per capita income is sourced from South Fact Central West North the reports by the Economic Advisory Council 200 to the PM. Population data is from the per capita i Karnataka were comparab se of U.P., Rajasthan, and Mi census. Electorate data is from the ECI 150 100 50 % share of population Relative per capita income levels in 2024 Relative Income levels (%) 200 West, South surge ahead and catch up with Punjab and Haryana 50 100 150 190 200 150 KA 100 UK Income levels of western and southern States are 10 relatively higher States that did not have relevant data are not o 200 Telangana 🔴 2024 p 5: Percentage of India's electorate in 2024 TN Income gap be % share of population the econo 150 nced and 7.5 11.5 15.5 15.8 100 50-14 In the charts, the rise and fall in population shares is not apparent as as a proxy for population bifurcation of States split the poroxy for population in 2024 could be a re

With no 2021 Census data, the current regional demographic trends remain unknown. Population size, composition, and quality influence wealth creation and distribution, but economic divergence between States persists, as seen in per capita income comparisons.

Charts 1, 2 and 3 plot States' relative per capita income levels in 1961, 2001 and 2024, respectively. The vertical axis shows relative income levels, while the horizontal axis shows each State's share in India's population. In 1961, the relative income levels of Kerala, Andhra Pradesh, and Karnataka were comparable to those of U.P., Rajasthan, and Madhya Pradesh. By 2001, the relative income levels in Maharashtra, Gujarat, West Bengal, and all the southern States had risen to match those of Punjab and Haryana — States that had a head start due to the Green Revolution. In contrast, the levels of U.P., Bihar, and M.P. declined. The newly formed States carved out of them too had low income levels, along with Odisha and Rajasthan. By 2024, the income gap between the economically advanced and lagging States had widened further (Map 4). A few exceptions stood out: the relative income levels of West Bengal and Punjab dipped, while that of Uttarakhand improved. Notably, during this period, the population share of the economically lagging Hindi heartland States grew, while the share of many advanced States especially in western and peninsular India — was stable or

If delimitation were to happen according to the current population, States with a better economic performance could face a slide in their political power to States with a lower economic performance. To frame this discussion as a north-south divide is inaccurate. This debate is about regional disparities. Addressing them must be a national priority.









Why India needs to clean its air

ECOLOGY & ENVIRONMENT

India's air pollution crisis is a year-round issue, causing severe health and environmental impacts, with cities frequently ranking among the world's most polluted. While initiatives like the NCAP, Bharat VI, PMUY, and coal phase-outs in NCR show progress, the response remains fragmented and slow. Without stronger coordination and faster implementation, achieving significant improvements may be difficult.

Tuning in to ground realities

India's air pollution crisis is not just a technical issue but a structural challenge influenced by governance, socio-economic factors, and infrastructure limitations. While scientists diagnose air quality, lasting solutions depend on local authorities and community leaders, who face budget constraints and outdated systems. India's goal to cut PM2.5 levels by 40% by 2026 is ambitious but may fail without addressing ground realities. Effective action requires detailed insights into pollution sources, such as vehicle types, fuel use, and traffic patterns, to create realistic, actionable plans for local governments.

Proactive programs

India's air pollution strategy is underfunded compared to China, but when factoring in programs like PMUY, Fame II, and Swachh Bharat Mission, a broader clean air financing ecosystem emerges. However, NCAP struggles with fund allocation and progress measurement, relying heavily on ambient air quality data, which can be misleading due to external factors like weather. Activity-based metrics (e.g., stoves replaced, diesel buses retired) would offer clearer impact insights. The lack of high-resolution, open-source emissions data hampers effective governance, leading to underutilization of NCAP funds. To improve outcomes, India needs a phased, data-driven approach: Phase I—identify major pollution sources, Phase III—link funding to targeted actions, and Phase III—track emissions reductions rather than just air quality changes. This shift would move from passive monitoring to proactive pollution management.

Guarding against optics

As India adopts digital tools for air pollution management, it must avoid overreliance on high-tech, urban-centric solutions that neglect basic pollution sources like biomass burning and outdated industrial processes. Smog towers and Al dashboards may seem innovative but are ineffective without systemic reforms. Cities like London and Los Angeles implemented advanced technology only after decades of foundational changes.

This misalignment risks elite capture, where urban areas benefit while rural and informal sectors—major pollution contributors—are overlooked. Additionally, data without local authority or resources won't drive action. To bridge this gap, India must separate funding for research and on-ground interventions, ensuring that policy focuses on solutions rather than just studies.

What are other countries doing?

Global examples show that context-specific solutions drive success—China closed coal plants, Brazil used community-led waste systems, and London banned coal before launching sensors. India must tailor its clean air strategy to its federal structure, subsidy-driven model, and informal economy.

True progress will come not from dashboards but from people, partnerships, and purpose. Clean air must be a right for all, not a privilege for a few. Achieving this requires coordination, courage, and committed action, not just promises.

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U.S. flags India's 'burdensome' requirements ahead of tariffs

INTERNATIONAL RELATIONS

Obstacle course

The Office of the U.S. Trade Representative lists foreign countries' policies it regards as barriers



- India open to cutting tariffs on more than half of U.S. imports worth \$23 billion
- U.S. feels some of India's import requirements lack clear timelines
- It is unclear if Trump's April
 2 announcement will factor
 in the USTR report findings

The U.S. has raised concerns over India's increasing import-quality requirements and other trade barriers in a recent USTR report. While India is considering tariff cuts on U.S. imports, the U.S. argues that some of India's import regulations are burdensome, misaligned with global standards, and lack clear timelines.

Since 2019, India has made BIS quality standards mandatory across various sectors, including chemicals, medical devices, electronics, and textiles. The report also flags India's draft Digital Personal Data Protection Act, which may require data disclosure to the government, restrict cross-border data transfer, and enforce data localisation.

U.S. flags India's 'burdensome' requirements ahead of tariffs

ECONOMICS & DEVELOPMENT

The RBI has issued a Master Direction (MD) on interest rates on deposits, effective immediately. It mandates that commercial banks must follow a board-approved policy for setting deposit interest rates, ensuring uniformity across branches and customers without discrimination.

Banks cannot negotiate interest rates with depositors, and rates must be reasonable, transparent, and available for review. Additionally, interest on domestic rupee savings deposits will be calculated on a daily product basis.

Maastricht goalposts need shifting to allow Germany's budget boost

INTERNATIONAL RELATIONS

Germany's plan to expand its budget for defence and infrastructure spending could lead to a major revision of EU debt rules for the first time in 26 years. Economists suggest raising the debt-to-GDP reference rate from 60% to 90% to accommodate Germany's increased spending, which is seen as crucial for regional security and economic stability amid a growing trade war with the U.S.

Germany's self-imposed "debt brake" has been removed, and its debt-to-GDP ratio may rise to 100%, exceeding current EU limits. While exemptions allow some defence spending, existing EU rules restrict infrastructure investment from the planned €1 trillion package. Experts argue that changing the EU's debt threshold would not only benefit Germany but also support Europe's broader economic growth.

Hound turned fox

Germany, once a key enforcer of strict EU debt rules, is now ironically pushing for a loosening of fiscal constraints to support its expanded budget. The Stability and Growth Pact (SGP), established in 1997, set a 60% debt-to-GDP reference rate and a 3% budget deficit limit to maintain fiscal discipline. However, fewer than half of the 27 eurozone members currently meet this standard, with several nations—Italy, France, Belgium, Spain, Portugal, and Greece—having debt levels above 100% of GDP.

The eurozone's overall debt-to-GDP ratio reached 88% in 2023, close to the 90% threshold now being considered. While budget monitoring has been strict, exceptions were made post-pandemic, and compliance is now tied to ECB support mechanisms. If the debt threshold is raised, it could ease borrowing conditions for indebted nations and enhance growth potential, rather than restricting spending at a critical time. Compared to global peers, the EU remains fiscally conservative, with U.S. debt exceeding 120% of GDP and Japan over 260%. Raising the debt target to 90% could provide much-needed flexibility and prevent self-defeating austerity measures.

Growth markets

INTERNATIONAL RELATIONS

In the first quarter of 2025, coal imports by major traditional importers—China, India, Japan, and South Korea—declined, while other nations increased their coal purchases. Imports outside these four countries reached their highest share in three years. Turkey, Vietnam, and Bangladesh recorded their highest first-quarter imports, while the Philippines and Malaysia saw near-record highs.

Despite a nearly 18 million-ton drop in China's imports, smaller increases in Turkey, the Netherlands, Bangladesh, Hong Kong, and Vietnam contributed to overall tonnage. Additionally, 43 million tons of coal cargoes dispatched in March are yet to be accounted for, which may boost second-quarter deliveries.

However, the significant import declines in China and India suggest a possible long-term reduction in global coal imports, even if smaller markets continue to expand their purchases. This trend could lead to an overall contraction in coal shipments by the end of 2025.

CERN reveals plan for Large Hadron Collider's successor

SCIENCE & TECHNOLOGY



Scientists at CERN have released a blueprint for the Future Circular Collider (FCC), a proposed successor to the Large Hadron Collider. The FCC would be a 91-kilometre particle accelerator beneath the French-Swiss border and Lake Geneva, designed to advance physics research.

The plan, a decade in the making, outlines the project's route, environmental impact, scientific goals, and estimated cost of 14 billion Swiss francs. Independent experts will review it before CERN's member states decide in 2028 whether to proceed, with construction expected to start in the mid-2040s.

The FCC will first focus on high-precision studies of known physics before transitioning in 2070 to high-energy proton and heavy-ion collisions, potentially uncovering new physics. Experts believe increased data from the collider could lead to unexpected discoveries.

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