



● POLITY

● ECONOMICS

● TECHNOLOGY

● ECOLOGY

## Govt., Opposition call for collegium system reform

POLITY &amp; GOVERNANCE

A meeting of Rajya Sabha floor leaders, chaired by Vice-President and Rajya Sabha Chairman Jagdeep Dhankhar, was held to discuss the discovery of half-burnt Indian currency notes at the residence of High Court judge Justice Yashwant Varma, sparking fresh debate on judicial appointments. Both the government and the Opposition agreed on the need for an alternative to the current collegium system, citing a lack of transparency, but Congress president Mallikarjun Kharge urged the government to clarify its stance. BJP president J.P. Nadda was tasked with holding one-on-one meetings with floor leaders to find a resolution. Dhankhar highlighted the seriousness of the currency notes incident and revisited the National Judicial Appointments Commission (NJAC) Act, which was struck down by the Supreme Court in 2015, suggesting that judicial appointments might have been different had the NJAC been upheld. He also questioned Parliament's relevance in such matters.

### 'Very critical issue'

Vice-President Jagdeep Dhankhar emphasized the broader implications of the discovery of half-burnt currency notes at a High Court judge's residence, raising concerns about Parliament's sovereignty and relevance. At a meeting with Rajya Sabha floor leaders, Congress president Mallikarjun Kharge agreed on the need for an alternative judicial appointments system while ensuring judicial independence but insisted the government should clarify its stance on the NJAC before the Opposition could respond. TMC MP Sukendu Sekhar Roy suggested that such matters be debated in Parliament, warning the government to plan for potential legal challenges if a new system was proposed. BJP president J.P. Nadda highlighted the need to distinguish between the currency notes incident and the larger debate on the Collegium system, proposing individual discussions with floor leaders to determine the next steps.

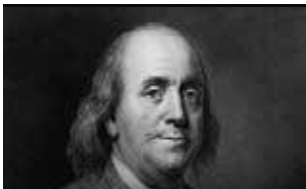
## Centre drops import duty on goods used to make EV, phone batteries; Lok Sabha passes Finance Bill

ECONOMICS &amp; DEVELOPMENT

Union Finance Minister Nirmala Sitharaman announced zero import duties on 35 capital goods for EV battery production and 28 items for mobile phone batteries to boost domestic manufacturing. While passing the Finance Bill in the Lok Sabha, she explained that the Customs tariff rationalization in Budget 2025 aims to enhance domestic production, improve export competitiveness, and reduce costs by addressing duty inversion. The government also introduced 35 amendments, including the abolition of a 6% digital tax on online advertisements.

### 'Big step forward'

Finance Minister Nirmala Sitharaman highlighted Customs tariff rationalization as a major step to boost competitiveness, benefiting importers and export industries. She clarified that this process had been ongoing for two years, unrelated to upcoming U.S. talks on reciprocal tariffs. Sitharaman also announced that the new Income Tax Bill, set to replace the 1961 Act, would be discussed in the next Monsoon session and justified provisions for digital record examination to align with modern practices. Additionally, she revealed that a "nudge" campaign by the Income Tax department led to ₹29,208 crore in foreign assets and ₹1,089 crore in foreign income being declared. The Finance Bill aims to provide significant tax relief, with personal income tax collection projected at ₹13.6 lakh crore for 2025-26.



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

—Benjamin Franklin

## Cannot be forced to join govt. portal, X tells Delhi HC

### POLITY & GOVERNANCE

Social media platform X told the Delhi High Court that it cannot be forced to join the Centre's SAHYOG portal, arguing it has its own system for handling legal requests. Citing the Shreya Singal vs Union of India ruling, X claimed the portal operates outside the legal framework of Section 69A of the IT Act, creating a parallel system without proper safeguards. X has also filed a petition in the Karnataka High Court, alleging that the SAHYOG portal functions as a censorship tool.

#### 'Automating notices'

The SAHYOG portal, developed by the Union Home Ministry, aims to automate takedown notices for unlawful content and will later handle law enforcement information requests. The Delhi High Court, hearing a case about a missing boy, noted delays in receiving information from social media platforms hinder investigations. It previously directed intermediaries to submit their procedures for handling such requests. So far, 38 platforms, including Google, Meta, and Telegram, have joined the portal. X's case on the issue is scheduled for hearing on April 29.

## India, China discuss 'early resumption' of cooperation

### INTERNATIONAL RELATIONS

India and China held the 33rd WMCC meeting in Beijing to discuss resuming cross-border cooperation, including trans-border rivers and the Kailash-Mansarovar Yatra. They agreed to prepare for the next Special Representatives (SR) meeting in India later this year. The discussions, held in a constructive atmosphere, reviewed the border situation and explored measures for effective management. Both sides committed to strengthening diplomatic and military mechanisms. Representatives from various departments participated in the talks. While disengagement in eastern Ladakh was completed in 2023, buffer zones remain, and patrolling norms are yet to be finalized.

## No reciprocal tariffs imposed by the U.S. on India, says Centre

### INTERNATIONAL RELATIONS

India and the U.S. are working on a bilateral trade agreement focused on increasing market access, reducing tariffs and non-tariff barriers, and improving supply chain integration. Minister of State for Commerce and Industry Jitin Prasada informed Parliament that the U.S. has not imposed reciprocal tariffs on India. The government continues to engage with the U.S. to expand trade relations in a fair and mutually beneficial manner.

The U.S. issued a memorandum on February 13 directing an investigation into non-reciprocal trade agreements and potential actions against trading partners. In response to a separate question on tariffs, Minister Jitin Prasada stated that India's average tariff rate in 2023 was 17%, with agriculture (including textiles) at 39% and industrial goods at 13.5%. Following the Union Budget 2025-26, the average industrial tariff has been reduced to 10.66%.

India's top 10 exports to the U.S. in 2023-24 included drug formulations and biologicals (\$8 billion), precious stones (\$6.57 billion), petroleum products (\$5.83 billion), telecom instruments (\$5.82 billion), gold and precious metal jewellery (\$3.3 billion), iron and steel products (\$2.78 billion), cotton garments (\$2.74 billion), electronic components (\$2.69 billion), cotton fabrics and made-ups (\$2.61 billion), and marine products (\$2.5 billion).





**VEDHIK**  
IAS ACADEMY  
*The New Learning Mantra*

**Comprehensive Coaching For  
568 Government Jobs**

[www.vedhikiasacademy.org](http://www.vedhikiasacademy.org)

# The 'Great Abandonment' of Afghanistan

## INTERNATIONAL RELATIONS

The Oval Office meeting between U.S. President Donald Trump and Ukraine's President Volodymyr Zelenskyy, along with subsequent events, resonated deeply with Afghans, especially those in exile. Many drew parallels to how the U.S., under Trump and later Joe Biden, lost interest, cut funding, and withdrew from Afghanistan, leaving it under Taliban rule.

### A reflection of the present

The U.S.'s past actions in Afghanistan mirror the present situation. In 2017, Trump negotiated a deal for U.S. access to Afghanistan's rare earth minerals, and in 2018, the U.S. began direct talks with the Taliban, sidelining the Afghan government. The 2020 Doha Accords favoured the Taliban without securing commitments on governance, women's rights, or counterterrorism, leading to the Afghan government's collapse and the Taliban's takeover. Since 2021, the Taliban regime has tightened control, imposing severe restrictions on women and opposition. While the U.S. and Europe have disengaged, Russia, China, Pakistan, and regional powers have embraced the Taliban. India has maintained a cautious approach, reopening a technical mission in Kabul in 2022 and engaging Taliban leaders. Recent reports suggest India may expand its presence in Afghanistan and allow a Taliban-appointed ambassador in Delhi.

### Engaging with Taliban 2.0

India's engagement with the Taliban is driven by pragmatism, despite the BJP's ideological stance. Officials cite three reasons:

- Taliban's longevity – While seen as inevitable, internal power struggles, economic mismanagement, loss of foreign aid, and tensions with Pakistan could weaken its grip.
- Humanitarian aid access – India could still help Afghans through other channels, as it did from 1996-2001.
- Strategic presence – Some argue reopening the embassy preserves India's influence, but the Taliban's past hostility to Indian interests makes this uncertain.

Meanwhile, India's reluctance to grant visas to Afghans fleeing the Taliban in 2021 has disappointed many who previously supported India. Historically, Afghan refugees in India built goodwill and later held influential positions, making India's current approach a stark contrast to its past alliances with leaders like Ahmad Shah Massoud.

### Reversing policy

The Indian government must closely monitor Afghanistan's evolving situation and reconsider allowing Taliban influence over its embassy in Delhi. While engaging with the Taliban regime may be necessary, India should also rebuild ties with anti-Taliban groups, advocate for women's rights, and provide them a platform. India missed an opportunity to push the Afghanistan Cricket Board to recognize the exiled Afghan women's cricket team. Additionally, India should support exiled Afghan leaders by allowing forums for political representation. Maintaining ties across the political spectrum is crucial for India to stay relevant in Afghanistan's future developments.

# The Canadian election, shaped by Trudeau and Trump

## INTERNATIONAL RELATIONS

Canadian politics is at a critical turning point, with a narrow divide between the Liberal and Conservative parties and external pressures from the U.S. under Donald Trump. Former Prime Minister Justin Trudeau lost support and resigned, making way for new Liberal leader Mark Carney. A political newcomer but experienced economist, Carney faced a no-confidence vote due to a lack of parliamentary support and called snap elections for April 28. The timing favours the Liberals, as rising domestic support has helped them close the polling gap with the Conservatives.

### Some gain for the Liberal Party

The Liberal Party's resurgence in Canada has been driven by strong opposition to Donald Trump's policies, particularly his push for Canada to become the U.S.'s 51st state—a proposal widely rejected by Canadians. Tensions escalated when Trump imposed a 25% tariff on Canadian imports, though he later backed down on further steel and aluminium tariffs after Canada threatened retaliation. These trade disputes have fuelled nationalist sentiment, leading to calls for unity across political lines, a boycott of American goods, and reduced travel to the U.S., prompting Canadian airlines to cut service to some U.S. cities.

### On the other side of the fence

The Canadian political landscape is intensifying as the upcoming elections approach. Conservative leader Pierre Poilievre, once ahead in the polls, has seen his support decline due to his Trump-like rhetoric on deregulation, tax cuts, and cultural issues. Liberal leader and unelected Prime Minister Mark Carney must balance centrist policies while leveraging his



economic expertise amidst tensions with the U.S. Poilievre hopes to capitalize on liberal fatigue and the global conservative wave, while also avoiding full Trump-style politics. The election primarily remains a contest between Carney and Poilievre, as Bloc Québécois leader Yves-François Blanchet and NDP leader Jagmeet Singh lack broad national appeal.

### Outlook for Canada's ties

The next Canadian leader will face significant domestic and foreign policy challenges, particularly managing strained U.S. relations due to economic reprisals. Canada may shift its economic focus toward Asia and Europe, but past tensions under Trudeau have complicated ties with India and China. Both Mark Carney and Pierre Poilievre aim to improve relations with India, yet their party's reliance on Jagmeet Singh's NDP, which supports Khalistani groups, could hinder progress. While an India-Canada reset is expected, New Delhi must remain prepared for any scenario.

## Eliminating opponents

### INTERNATIONAL RELATIONS

President Erdoğan's government in Türkiye has long suppressed opposition, but the arrest of Istanbul Mayor Ekrem İmamoğlu marks a significant escalation. İmamoğlu, a leading opposition figure from the CHP, was detained on corruption and terrorism-related charges just before his expected presidential nomination. His removal sparked mass protests, with 15 million voters participating in a CHP primary to confirm him as their candidate. With Erdoğan constitutionally barred from re-election in 2028 unless early elections are called, he may be attempting to side-line his strongest rival. However, this crackdown risks deepening political divisions and further eroding Türkiye's democratic institutions.

## A bad omen for public trust in vaccines

### POLITY & GOVERNANCE

Over the last few years, multiple petitions have been filed before the courts regarding vaccines. While most of them pertain to COVID-19 vaccines, two of them pertain to a rabies vaccine and a rotavirus vaccine. While not all these petitions have been admitted by the courts, they reflect growing concerns related to how vaccines are approved and administered in India.

### Concerns in petitions

Petitions filed in court question vaccine-related deaths, lack of transparency in clinical trials, inadequate disclosure of side effects, and compensation for adverse events highlights concerns over vaccine safety and regulatory transparency in India, distinguishing them from anti-vaccine conspiracy theories. Trust in the regulator is low, leading to demands for independent review committees. The passage argues that courts are ill-equipped to resolve these issues effectively, and litigation by vaccine manufacturers against critics further complicates matters. Instead, it calls for policy-driven solutions from the Ministry of Health to address these concerns and restore public confidence.

CDSCO, India's drug regulator highlights concerns over the lack of transparency in vaccine approval. Two key issues are identified: first, the secrecy surrounding regulatory decisions made with "independent" doctors, whose identities and potential conflicts of interest are not disclosed; and second, the non-disclosure of clinical trial data used in the approval process. To build public trust, the passage calls for greater transparency, including revealing decision-makers' details and making raw clinical trial data and internal regulatory analysis publicly available, with necessary redactions for patient privacy. The other issue raised in one of the COVID-related petitions is the disclosure required to be made to citizens about the possible side-effects of a vaccine, without which there cannot be informed consent.

There should be an emphasis upon the need for better public communication and transparency regarding vaccine side effects. It argues that merely posting information on obscure websites is insufficient; instead, details should be presented in an accessible format at the time of vaccination to ensure informed consent. Additionally, it highlights the need for a robust pharmacovigilance system to track adverse events following immunization (AEFI). While India has ad-hoc guidelines, they lack legal enforcement and effective implementation. Establishing a well-regulated AEFI system would improve data collection and prevent pharmaceutical companies from controlling vaccine safety information.

### Issue of compensation

The Kerala High Court directed the government to establish a compensation policy, but the government challenged this in the Supreme Court, where the case remains unresolved. According to tort law, vaccine manufacturers should be liable for compensation since they profited from the vaccines. However, the government's refusal to disclose vaccine purchase agreements raises uncertainty about any indemnification clauses. The passage argues that aside from compensation, other vaccine-related concerns—such as transparency and informed consent—should be addressed through policy rather than litigation. The Health Ministry should acknowledge these concerns and consider a legal framework to restore public trust in vaccines.

# Growth in most southern States is concentrated in a few districts

## POLITY & GOVERNANCE

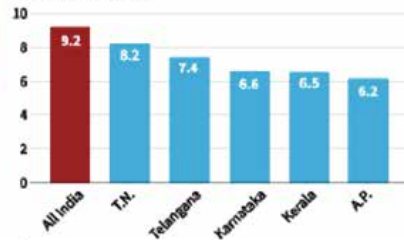
Various southern States have tabled their Budgets and Economic Surveys this year. An analysis of their Surveys shows that economic growth in all of these States lagged behind India's economic growth in 2023-24. And despite having a significant proportion of the population in the labour force, the rates of unemployment in these States remain a point of concern. While the Indian economy grew at 9.2% in 2023-24, Tamil Nadu's economy grew at 8.2% and Telangana's at 7.4%. Karnataka, Kerala, and Andhra Pradesh have each grown at over 6% (Chart 1). Despite higher per capita incomes than the national average, economic advantages in southern States are concentrated in a few districts. In Tamil Nadu, only 8 of 38 districts had a per capita income above the State average of ₹2.8 lakh in 2022-23, with Chengalpattu's income more than double. In Telangana, only 3 of 33 districts exceeded the State average of ₹3.1 lakh, with Rangareddy's income over three times the average. Similarly, just 4 districts in Karnataka had higher incomes than the State average of ₹3 lakh. Kerala had the most equitable distribution, with 7 of its 14 districts above the State average.

### Southern States: A report card

The data for the charts were taken from the States' Economic Survey reports, the Periodic Labour Force Survey's Annual Reports, and the Ministry of Statistics and Programme Implementation



**Chart 1:** The chart shows the GDP growth rate of various southern States and India's GDP growth rate in constant prices, for 2023-24 (in %)



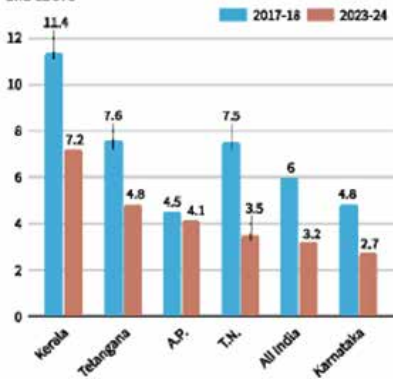
**Table 2:** Shows the average per capita incomes of the five southern States (in ₹) and the number of districts with higher incomes than the State average. Data for 2022-23

State name	Average per capita income (in ₹)	Total districts	Districts above State's avg. per capita income level
A.P.	2,19,881	26	9
Karnataka	3,04,474	31	4
Kerala	2,96,595	14	7
T.N.	2,77,802	38	8
Telangana	3,11,649	33	3

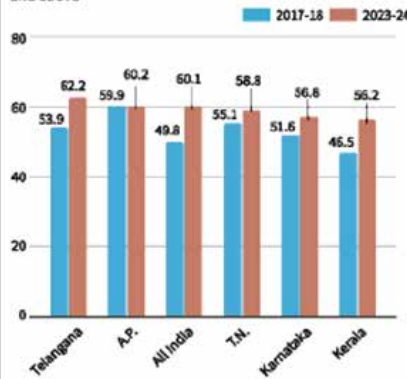
**Table 5:** The table shows the sectoral contribution in the State-wise gross state value added (in %) for the years FY15 and FY24

State	Agriculture		Manufacturing		Services	
	FY15	FY24	FY15	FY24	FY15	FY24
A.P.	30.4	34.1	11.2	12.2	44.1	40.2
Karnataka	13.1	13.0	14.4	12.5	62.3	66.7
Kerala	12.9	9.6	9.1	7.9	60.7	66.5
T.N.	13.1	12.7	18.5	18.6	54.2	53.6
Telangana	16.3	15.4	11.7	8.9	61.3	66.8

**Chart 3:** The chart shows the unemployment rate (in %) according to usual status for those aged 15 years and above



**Chart 4:** The chart shows the labour force participation rate (in %) according to usual status for those aged 15 years and above



Charts 3 and 4 show that despite a huge chunk of the population seeking work, unemployment is a pressing concern for the southern States. Though unemployment rates declined across southern States since 2017-18, only Karnataka had a rate lower than the national average in 2023-24. The labour force participation rate (LFPR) in India was 60.1% in 2023-24, with Andhra Pradesh and Telangana exceeding this, while Tamil Nadu, Karnataka, and Kerala had lower LFPRs. There has been a shift from casual labour to self-employment, mainly as helpers in household enterprises, with little growth in regular salaried jobs. For instance, in Tamil Nadu, casual labour fell from 33.5% to 31%, while self-employment rose from 32.8% to 34.2%. Similarly, in Telangana, self-employment increased by 8 percentage points to 55.9%, while casual labour declined by 5.7 points to 18.7%.

Table 5 shows the sectoral composition of the States' economies. The services sector dominates the economies of the southern States, contributing over 50% of their economic output, except in Andhra Pradesh, where its share declined between 2014-15 and 2023-24. In contrast, agriculture's contribution in Andhra Pradesh increased from 30% to over 34% during this period. Manufacturing remains a smaller contributor across the region, including in Tamil Nadu, where despite industrial efforts, the sector's share did not see significant growth over the decade.

The More You Learn, The More You Earn



www.vedhikiasacademy.org

**VEDHIK**  
IAS ACADEMY  
The New Learning Mantra



# How is an in-house inquiry conducted?

## POLITY & GOVERNANCE

The Chief Justice of India (CJI) has constituted an in-house committee to conduct an inquiry into allegations of misconduct against Justice Yashwant Varma. This follows recovery of huge piles of cash at his residence during a fire-control operation.

### What is the current issue?

A fire at the residence of Delhi High Court Justice Yashwant Varma on March 14 led to the discovery of large amounts of burnt cash in the storeroom. Following a preliminary inquiry, the Chief Justice of Delhi High Court recommended a deeper probe. Justice Varma denied any knowledge of the cash, stating neither he nor his family placed it there. A Supreme Court-appointed three-member committee will investigate the matter. In the meantime, judicial work has been withdrawn from Justice Varma, and he has been transferred to the Allahabad High Court by the collegium.

### What is an in-house procedure?

The Supreme Court follows an in-house inquiry procedure to investigate complaints of alleged misbehavior against higher judiciary judges, established in 1999 and made public in 2014. If a complaint is received against a High Court judge, the CJI assesses its merit and may form a three-member committee comprising two Chief Justices from other High Courts and one High Court judge. The committee determines whether the misconduct is serious enough for removal. If so, the judge is asked to resign; otherwise, Parliament is informed for possible removal proceedings. Complaints against a Chief Justice of a High Court are handled by a Supreme Court judge and two High Court Chief Justices, while complaints against Supreme Court judges are reviewed by a panel of three Supreme Court judges. In the case of Justice Yashwant Varma, the CJI has appointed a committee consisting of the Chief Justices of Punjab & Haryana and Himachal Pradesh High Courts, along with a Karnataka High Court judge, to investigate the allegations.

### What reforms are required?

The Supreme Court keeps in-house inquiry details confidential, but greater transparency in disclosing key findings could improve public confidence. Additionally, no judge has faced criminal punishment despite being found guilty of misconduct, highlighting the need for stricter accountability. The U.K.'s Judicial Conduct Investigations Office serves as a model for establishing an independent body in India under the CJI to oversee judicial misconduct cases.

Another issue stems from the opaque collegium system of judicial appointments. There is a call to reconsider the National Judicial Appointments Commission (NJAC), which was struck down in 2015 for compromising judicial independence. While the collegium ensures autonomy, it lacks transparency and accountability. A broad-based NJAC—including representatives from the legislature, lawyer associations, and academia—could improve inclusivity while maintaining judicial independence. Senior judges and the CJI could be given veto power to retain final authority in appointments.

# What is India's approach to citizens on death row abroad?

## INTERNATIONAL RELATIONS

On March 3, the Ministry of External Affairs (MEA) informed that the execution of Shahzadi Khan, an Indian national sentenced to death in the UAE for the alleged murder of an infant, was already carried out. The Ministry's confirmation came as a response to a petition filed by her father Shabbir Khan. In less than a week, the Ministry confirmed that two more Indian nationals, convicted in separate cases, were also executed in the UAE.

### How many are on death row abroad?

As per the data disclosed by the MEA in Rajya Sabha on March 20, a total of 49 Indians are currently on death row. The number of Indians awarded death sentences by foreign courts is the highest in the UAE with 25 Indian nationals awaiting their sentences, followed by 11 in Saudi Arabia.

### What has been India's response?

The Ministry of External Affairs (MEA) informed the Rajya Sabha that Indian Missions abroad provide assistance to Indian citizens sentenced by foreign courts. Former Ambassador Talmiz Ahmad explained the three stages in such cases: arrest and indictment, judicial process, and pardon by the ruler or head of state. Once a death sentence is pronounced, the only recourse is to appeal for a pardon, which is initiated by the accused's family with the embassy's guidance.

In many Gulf countries, sentences can be commuted through blood money, a compensation paid to the victim's family in lieu of retribution. However, both the state and the victim's family must accept the payment, and in some cases, the state may refuse clemency based on the severity of the crime.



## Can the embassy do more?

Death sentences are issued only in exceptional cases like murder, rape, and treason. In authoritarian countries with opaque judicial processes, such as Saudi Arabia, Indian embassies are often not informed about arrests, trials, or sentencing and only receive a formal notification after execution. Their role is further restricted when the accused confesses, as the circumstances remain unclear. In contrast, in countries with more transparent judicial systems, embassies can nominate lawyers and, when necessary, use welfare funds to provide legal assistance to those in need.

## Has India intervened successfully in the past?

The government has successfully intervened in several cases. In February last year, eight Indian navy veterans who were sentenced to death by the Qatari government were released following the Indian government's diplomatic efforts and appeals at a higher court. Gurdip Singh, an Indian national arrested on charges of drug trafficking in Indonesia, was sentenced to death in 2005 by the Tangerang court. Singh's appeal was turned down by the High Court of Banten and later the Supreme Court. However, he was spared due to the Indian government's intervention.

# Easing FPI threshold can induce capital inflow, say experts

## ECONOMICS & DEVELOPMENT

### Investor friendly

**SEBI's move to increase FPI investment threshold to ₹50,000 cr. may ease compliance burden on genuine investors**



- Tough granular disclosure requirement had made compliance difficult
- Many FPIs had diluted their positions in India to fall below the threshold of ₹25,000 crore
- SEBI's latest decision hailed as pro-growth and pro-investment

SEBI has raised the investment threshold for foreign portfolio investors (FPIs) to ₹50,000 crore from ₹25,000 crore for granular disclosure requirements. This move aims to increase capital inflows, ease compliance for smaller investors, and enhance market transparency. The 2023 disclosure norms were introduced to prevent stock price manipulation and ensure adherence to public shareholding rules, especially after allegations against the Adani Group. Experts believe the previous ₹25,000 crore threshold led to FPI sell-offs to avoid compliance burdens.

With this revision, SEBI aims to strike a balance between regulatory oversight and market attractiveness, making it easier for mid-sized and small FPIs to invest in Indian equities while maintaining transparency.

# BHIM 3.0 launched with option to track shared expenses

## ECONOMICS & DEVELOPMENT

NPCI BHIM Services Ltd. (NBSL) has launched BHIM 3.0, introducing enhanced features for users, businesses, and banks. The rollout will be phased, with full availability by April 2025. Designed for safety, convenience, and inclusion, BHIM 3.0 allows users to split bills, track shared expenses, and onboard family members for better financial planning. These new features aim to simplify digital payments and provide users with a consolidated view of their expenses.

## 'Social protection coverage doubled to 48.8% in 2024'

A data-pooling exercise by the Union Labour Ministry and the International Labour Organization (ILO) reveals that 65% of India's population (92 crore people) is covered by at least one social protection benefit, with 48.8% receiving cash benefits.

Union Labour Minister Mansukh Mandaviya stated that over 200 crore records were analyzed using encrypted Aadhaar across 34 major Central schemes, including MGNREGA, EPF, and ESI. India's social protection coverage doubled from 24.4% in 2021 to 48.8% in 2024, as per ILO's World Social Protection Report (WSPR) 2024-26. However, Mandaviya noted that this is an underestimation, as it does not include in-kind benefits like food security and housing or State-administered schemes.

## Much higher

Union Labour Minister Mansukh Mandaviya stated that India's actual social protection coverage is likely higher than reported, as additional data on in-kind benefits and State-administered schemes is yet to be accounted for. The Labour Ministry is engaging in high-level discussions with the ILO to address this underestimation. It is also collaborating with State gov-

ernments and the ILO on a national social protection data pooling exercise. State Labour Departments are playing a key role in compiling State-specific data, which will be consolidated, verified, and de-duplicated at the Central level for a comprehensive assessment of social protection coverage in India.

### ESIC expansion

Union Labour Minister Mansukh Mandaviya announced the expansion of Employees' State Insurance (ESI) coverage in Uttar Pradesh, adding 15 more districts under the scheme. With this expansion, 74 out of 75 districts in the state are now fully covered under ESIC, marking a significant step in enhancing social security for workers.

## India to issue e-bus payment security tender

### ECONOMICS & DEVELOPMENT

India's first tender under the Payment Security Mechanism (PSM) for electric bus (e-bus) deployment is expected soon. Convergence Energy Services Ltd. (CESL) is finalizing tenders, aggregating demand from multiple States. Initially launched as a joint effort between India and the U.S., the initiative is now fully funded by the Indian government with an allocation of ₹3,435 crore. This initiative aims to deploy over 38,000 e-buses between FY 2024-25 and FY 2028-29, ensuring operations for up to 12 years.

### No longer a challenge

India's Payment Security Mechanism (PSM) is set to accelerate electric bus (e-bus) deployment by providing financial security to manufacturers and operators. Under the Gross Cost Contract (GCC) model, States can lease e-buses on a monthly basis for 10 years instead of purchasing them outright. The Reserve Bank of India (RBI) is facilitating this through a tripartite agreement between State and Central governments. If a State defaults, the Central government will deduct the due amount from allocated funds, ensuring timely payments.

E-buses have a lower operating cost than diesel buses, but concerns remain over State Transport Undertakings' (STUs) weak credit profiles. Currently, e-buses make up just 4% of annual bus registrations in India, with 3,644 units sold in FY24, an 81% increase from the previous year. With government support through PM e-Bus Seva and PM e-Drive, e-bus sales are expected to exceed 17,000 units by FY27, reaching 15% of total bus sales, up from 4% in FY24.

## Trump spurs Europe into action, but any 'Europhoria' may be premature

### ECONOMICS & DEVELOPMENT

Former U.S. President Donald Trump's unpredictable policies on tariffs and security have prompted Europe to take action, with Germany planning major defence and infrastructure investments. European businesses are becoming more optimistic, and growth projections for the eurozone have been revised upward, with stocks outperforming U.S. markets.

Despite this optimism, unresolved issues like high energy costs, a fragmented market, and looming U.S. tariffs pose risks. While Eurozone shares have risen 12% since Trump's inauguration, U.S. stocks have fallen 6.7%.

Economists have raised the eurozone's 2026 growth forecast to 1.3%, though still behind the 2% projected for the U.S. Some European officials argue that the region's regulatory stability is a strength compared to the uncertainty in U.S. policymaking. However, skepticism remains about whether this optimism—dubbed 'Europhoria'—is justified.

### Trade risk

Europe's export-driven economy faces a major risk from a potential U.S. trade war, with tariffs set to take effect on April 2. The European Central Bank estimates that a 25% U.S. tariff on European imports could reduce eurozone GDP by 0.3 percentage points, with retaliatory measures worsening the impact.

Uncertainty over U.S. policies has stalled investment, as businesses struggle to plan. However, Germany's increased spending on defence and infrastructure is expected to boost sectors like ammunition, missile production, and construction. Companies such as Rheinmetall, MBDA, and Heidelberg Materials anticipate growth, though some executives warn that bureaucracy and high energy costs could limit the benefits.

While Europe's stable regulatory environment is seen as an advantage, experts argue that structural issues in the EU's single market—such as labour, capital, and trade barriers—remain unaddressed.

# WE AIM TO INSPIRE YOU





# VEDHIK

## IAS ACADEMY

*The New Learning Mantra*

# START YOUR JOURNEY WITH THE BEST

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

[www.vedhikiasacademy.org](http://www.vedhikiasacademy.org)

*Head Office:*

**Vedhik IAS Academy**

Mercy Estate,  
MG Road, Ravipuram,

Ernakulam-682 015,

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

+91 7777 875 588 | +91 9778 639 288 | 0484 4527777

*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 Educational Solutions WLL

Office No: 201, Floor: 2

AL RAYA SHOPPING CENTRE WLL

Bldg. 517, Road 2408, Area 324,

Al Fateh, Manama, Kingdom of Bahrain

[www.bobscoedu.com](http://www.bobscoedu.com)