

## Left leader Dissanayake is Sri Lanka's new President

### INTERNATIONAL RELATIONS

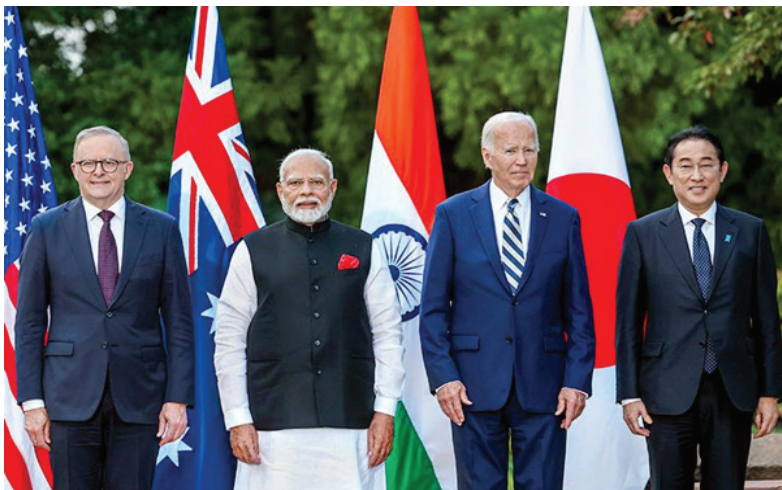
Left leader Anura Kumara Dissanayake secured 42.31 % of the votes, emerging as the winner in Sri Lanka's presidential race. Mr Premadasa was in the second spot with 32.76 %, while incumbent Ranil Wickremesinghe came third with under 20 % of the vote share. Mr. Dissanayake was officially declared President-elect by the Election Commission of Sri Lanka after it completed a second count of votes to add preference votes, a first since the introduction of the system of executive presidency in 1978. The tally of preferential votes cast by voters became necessary since neither Mr. Dissanayake nor his chief challenger, Opposition Leader Sajith Premadasa, secured the 50 % plus one vote in the first round, which is required for winning.



An Opposition legislator from the capital Colombo, Mr. Dissanayake ran for the National People's Power (NPP) alliance, a coalition helmed by the Janatha Vimukthi Peramuna (JVP or People's Liberation Front), a party with Marxist-Leninist roots. "AKD", as he is popularly known, has pledged to end corruption and change the country's political culture through an effective campaign targeting scores of Sri Lankans who sought change after the country's economic crash in 2022. It marks the first time Sri Lanka's presidency will be held by a party with no links to the Sri Lanka Freedom Party (SLFP), the United National Party (UNP), or their offshoots that have dominated the country's politics for over seven decades.

## Quad launches maritime, health initiatives; condemns aggression in disputed regions

### INTERNATIONAL RELATIONS



Leaders of the Quad group of countries — Prime Minister Narendra Modi, U.S. President Joe Biden, Australian Prime Minister Anthony Albanese, and Japanese Prime Minister Fumio Kishida — met at their sixth summit-level meeting at Delaware, to announce a broad range of outcomes. These included the launch of a new Coast Guard exercise, a logistics network, expansion of maritime surveillance, and a project to combat cervical cancer.

The Quad strongly condemned aggression in the East and South China Sea and expressed alarm over the war in Ukraine. While there was no direct mention of Russia, presumably out of consideration for India, which shares a close relationship with Moscow, the statement had references that have been associated with a condemnation of Russia's invasion of Ukraine, such as Quad countries offering their "unwavering" support for the United Nations Charter. The countries expressed their "deepest concern" for the war in Ukraine and its consequences.

The 'Quad Cancer Moonshot' initiative will see contributions from all four Quad countries to fight cervical cancer.

India will allocate \$10 million for screening, and the Serum Institute of India, along with Gavi, will supply up to 40 million vaccines for the region, pending necessary approvals.

The Quad-at-Sea Ship Observer Mission in 2025 aims to enhance interoperability and maritime safety among Quad nations, with future Coast Guard missions planned post-2025. Additionally, a logistics network pilot project has been launched, allowing Quad countries to share airlift capacity for disaster response efforts.

MAITRI workshop

The Quad announced Maritime Initiative for Training in the Indo-Pacific (MAITRI) to train Quad partners “to monitor and secure their waters, enforce their laws, and deter unlawful behaviour”. India will host the first MAITRI workshop in 2025. A maritime legal dialogue has been launched to support actions to uphold the rules-based order.

Quad members condemned maritime aggression, with pointed references to situations involving China, which is currently embroiled in tensions with the Philippines, most recently over the latter’s coast guard presence on the Sabina shoal, 150 km off its west coast. The statement condemns the dangerous use of coast guard and maritime militia vessels and opposes the disruption of other countries’ offshore resource exploitation activities.

The Quad fellowship, to promote STEM education, has been expanded to include 50 scholarships worth \$ 5,00,000 for students from the region to study at government-funded technical institutions in India.

## Unwarranted curbs

### POLITY & GOVERNANCE

The Bombay High Court struck down the 2023 amendment that established a ‘fact-checking unit’ to remove ‘fake or false or misleading’ content from digital and social media platforms. The Government maintained that inaccurate content is not constitutionally protected and that platforms could seek legal recourse. The rule required platforms to remove flagged content or risk losing legal protection for third-party content. Justice A.S. Chandurkar sided with Justice G.S. Patel, who argued the rule violated the right to freedom of expression by coercively classifying speech based on vague terms. Critics, including media editors and comedian Kunal Kamra, saw this as a potential tool for government censorship. Justice Gokhale, however, supported the rule, arguing it was not vague and platforms could use disclaimers to retain legal protection.

Two out of three judges of the Bombay High Court found the government’s fact-checking rule unconstitutional, highlighting that the terms ‘fake’, ‘false’, or ‘misleading’ was undefined, and the rules provided no redress mechanism. Additionally, the rule applied only to information about the Centre, which was seen as discriminatory. Justice Chandurkar concurred with Justice Patel that restricting free speech based on truthfulness is not a valid ground under Article 19(2) of the Constitution.

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# On the pitfalls of estimating GDP

## ECONOMICS & DEVELOPMENT

Gross Domestic Product (GDP) is the key measure of a country's economic size and is used for comparing economic indicators across countries and regions. Real GDP, which adjusts for price changes, is typically estimated using data from a "base year." This base year is revised every 5-10 years to reflect changes in prices and output composition. The current GDP series, based on the 2011-12 base year, is due for revision, with 2020-21 proposed as the new base year. While most necessary datasets are available, the lack of Census data poses a challenge. The National Statistical Office (NSO) is considering using goods and services tax (GST) data, instead of the MCA-21 database, to estimate value addition for the Private Corporate Sector, which contributes about 38 % of GDP.

### Why the change?

The MCA-21 database was introduced in the 2011-12 GDP revision to improve estimates of corporate value addition. Prior to that, the Annual Survey of Industries (ASI) was used to estimate factory manufacturing value-added, while the Reserve Bank of India's (RBI) sample of large companies was used to estimate non-financial corporate sector output. However, the ASI missed value addition outside factory premises, and the RBI sample did not adequately capture the growing Private Corporate Sector (PCS). The MCA-21 database, based on mandatory corporate filings, was adopted to provide more comprehensive and up-to-date data on corporate output.

The 2011-12 base year GDP revision, which replaced the 2004-05 series, showed a slightly smaller GDP size but a faster growth rate. However, for the manufacturing sector in 2013-14, the new series indicated a significant divergence, with growth of (+) 5.4% compared to (-) 1.9% in the old series, which was unexpected. This sharp upward revision in industrial growth didn't align with related economic indicators like bank credit growth and industrial capacity utilisation, raising doubts about the new estimates. Subsequent investigations identified the untested MCA-21 database as a possible source of overestimation in the new GDP figures.

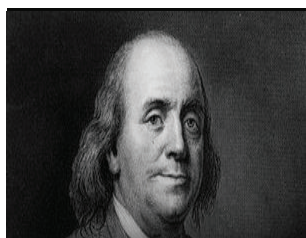
The official agency defended its revised 2011-12 GDP estimates, asserting they better-captured value addition through a more extensive database, improved methods, and adherence to international best practices. However, critics questioned whether a larger dataset equated to better data and whether the new figures represented accurate estimates or overestimates. The dispute remained unresolved as the government refused to allow independent scrutiny of the MCA data or disclose its estimation methods for verification.

### Systematic overestimation

Over time, comparisons between Gross Value Added (GVA) and Gross Fixed Capital Formation (GFCF) in the manufacturing sector, as reported by the National Accounts Statistics (NAS) and the Annual Survey of Industries (ASI), revealed significant discrepancies. From 2012-13 to 2019-20, NAS showed an average annual GVA growth of 6.2 %, while ASI reported only 3.2 %. The difference in GFCF growth was even sharper: 4.5 % by NAS versus just 0.3 % by ASI. These comparisons suggest systematic overestimation in NAS estimates, which rely on the MCA-21 database, supporting earlier concerns about the accuracy of GDP figures.

The passage highlights concern about using GST data for GDP estimation, cautioning against the hasty application of unverified datasets and methods. It urges the National Statistical Office (NSO) to conduct pilot studies to assess the suitability of the GST data for estimating value addition across industries, sectors, and states. Proper validation is essential to ensure accuracy and maintain confidence in the data's integrity. Alternatively, the NSO could consider returning to the Annual Survey of Industries (ASI) for estimating manufacturing GDP, as the ASI data now has a shorter time lag.

GST data can be a game-changer for GDP estimation in the proposed revision. It is a large and up-to-date database, however, its details are in a black box, as it has not been open for policy research. Without systematic analyses and cross-validation disaggregated by production and institutional sectors and regions by independent agencies, the validity of GDP estimates on GST data will be hard to establish.



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

*–Benjamin Franklin*

# U.P., Rajasthan, M.P. top in cases of atrocities on Dalits: report

## POLITY & GOVERNANCE

According to the latest report under the Scheduled Castes and Scheduled Tribes (Prevention of Atrocities) Act by the Social Justice and Empowerment Ministry, 51,656 cases were registered under the law for Scheduled Castes (SCs), while 9,735 cases were registered under the law for STs in 2022.

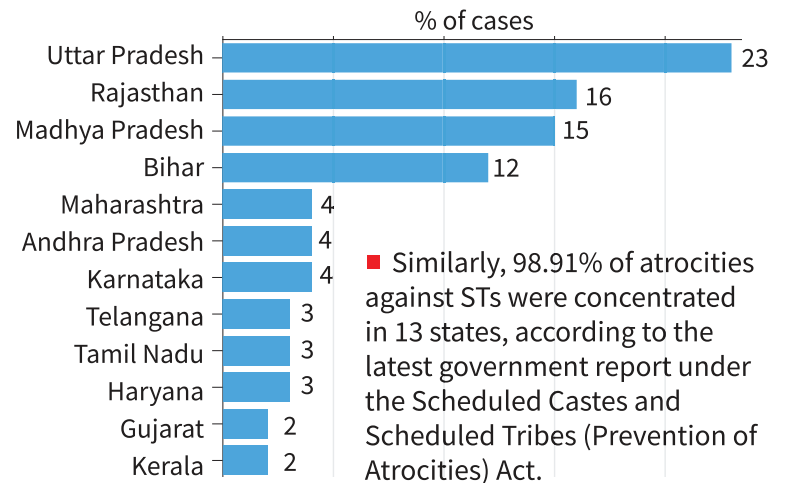
Nearly 97.7% of all cases of atrocities against Scheduled Castes in 2022 were

### Atrocities on Dalits, tribal people

The chart shows the States accounting for 97.7% of total cases of atrocities against members of Scheduled Castes during the year 2022.



Source: Ministry of Social Justice and Empowerment



Similarly, 98.91% of atrocities against STs were concentrated in 13 states, according to the latest government report under the Scheduled Castes and Scheduled Tribes (Prevention of Atrocities) Act.

reported from 13 States. Uttar Pradesh accounted for 23.78 % of the total cases with 12,287, followed by Rajasthan with 8,651 (16.75 %) and Madhya Pradesh with 7,732 (14.97 %). Other States with a significant number of cases of atrocities against SCs were Bihar with 6,799 (13.16 %), Odisha with 3,576 (6.93 %), and Maharashtra with 2,706 (5.24 %). These six States accounted for nearly 81 % of the cases.

The majority of atrocities against Scheduled Tribes (STs) were concentrated in 13 states, which reported 98.91 % of all cases in 2022. Madhya Pradesh reported the highest number at 2,979 (30.61 %). Rajasthan had the second-highest number of cases at 2,498 (25.66 %) while Odisha recorded 773 (7.94 %). Other States with a significant number of cases included Maharashtra with 691 (7.10 %) and Andhra Pradesh with 499 (5.13 %).

Among the SC-related cases, 60.38% led to chargesheets being filed while 14.78% were concluded with final reports due to reasons such as false claims or lack of evidence. By the end of 2022, investigation was pending in 17,166 cases. For ST-related cases, 63.32% resulted in charge sheets being filed while 14.71% ended with final reports. At the end of the period under review, 2,702 cases involving atrocities against STs were still under investigation.

The most concerning trends highlighted in the report is the declining conviction rate for cases under the Act. In 2022, the conviction rate dropped to 32.4% from 39.2% in 2020. Moreover, of 498 districts in 14 States, only 194 had established special courts to expedite trials in these cases.

The report also identified specific districts particularly prone to atrocities with only 10 States and Union Territories declaring such districts. It emphasised the need for targeted interventions in these districts to curb the caste-based violence and ensure stronger protection for vulnerable communities.

Andhra Pradesh, Assam, Bihar, Chhattisgarh, Gujarat, Haryana, Himachal Pradesh, Jharkhand, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Meghalaya, Mizoram, Odisha, Punjab, Rajasthan, Sikkim, Tamil Nadu, Telangana, Tripura, Uttar Pradesh, Uttarakhand, West Bengal, Andaman and Nicobar Islands, Chandigarh, NCT of Delhi, Jammu and Kashmir, Ladakh and Puducherry set up SC/ST protection cells.

Special police stations for registration of complaints of offences against SCs and STs have been set up by Bihar, Chhattisgarh, Jharkhand, Kerala and Madhya Pradesh.

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