Insights into Yojana: December 2017

Consumer Awareness
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Consumer Protection: Sine Qua Non for Good Governance

Introduction

- For protection and promotion of individual’s rights, and for the dignity and welfare of the citizen it is imperative to provide for the welfare of the individual as a consumer.
- The consumer protection must ensure fair trade practices and quality of goods and efficient services.
- One of important milestones in the area of consumer protection in India has been the enactment of the Consumer Protection Act, 1986.

Consumer Protection Act

- Under section 6 of the Consumer Protection Act, there has been an effort to empower consumers by giving them six basic rights. They are:
  - Right to Safety: Protect the consumers against services and goods which are hazardous for life and property.
  - Right to Information: Consumers have every right to be informed about the quality, quantity, standard and price of goods and services.
  - Right to Choose: Consumers are authorised to get access to variety of services and goods at competitive prices.
  - Right to be Heard: Consumers are assured that if something goes wrong, their interests will receive due care in the appropriate consumer forum.
  - Right to Redressal: Unfair trade practice or restrictive trade practice and allegations if proved, must be compensated to the consumer.
  - Right to Education: The right informs the consumer about the practice prevalent in the market and what remedies can be availed against them.

Consumer Awareness

- A free market economy can only function effectively with the support of an educated consumer.
- Government has been conducting a countrywide multimedia awareness campaign called “Jago Grahak Jago”.
- The consumer awareness campaign is implemented through the Directorate of Audio and Visual Publicity (DAVP).

Concerns / Challenges

- There are still serious shortfalls in achieving the desired level of consumer welfare. Factors such as deficiencies in quality infrastructure, regulatory deficit in many products and services which impact health, safety and environment and lack of mandatory standards for many products.
- There is absence of quality culture in the country. The quality of Indian products and their conformity with international standards must be accomplished.

Consumer Protection
An effective, efficient and fair implementation of the Consumer Protection Act is sine qua non for promoting the culture of good governance and thereby ensuring better promotion and protection of the rights of the consumers.

If the rights of the consumers are assured and taken care of then there will be no cause for complaints.

The thrusts of good governance are focused on efficiency, effectiveness, ethics, equality, economy, transparency, accountability, empowerment, rationality, impartiality and participation.

Therefore, proper and effective implementation of the laws, dealing with the protection of consumer rights would promote the cause and concern of good governance.

Consumer protection movement to be effective needs the proactive support of the government, business, organisations of civil society, educational institutions and research institutions.

Questions

1. An effective, efficient and fair implementation of the Consumer Protection Act is sine qua non for promoting the culture of good governance. Comment.

2. One of important milestones in the area of consumer protection in India has been the enactment of the Consumer Protection Act, 1986. Analyse.

3. The Customer Protection Act, 1986 applies to all goods and services unless specifically exempted by the
   A. Central Government
   B. State Governments
   C. Central and State Governments
   D. Central or State Governments

   Solution (A)

4. With reference to consumers’ rights/ privileges under the provisions of law in India, which of the following statements is/arc correct?
   1. Consumers are empowered to take samples for food testing.
   2. When a consumer files a complaint in any consumer forum, no fee is required to be paid.
   3. In case of death of a consumer, his/her legal heir can file a complaint in the consumer forum on his / her behalf.

   Select the correct answer using the codes given below
   [A]1 Only
   [B]2 & 3 Only
   [C]1 & 3 Only
   [D]1,2 & 3

   Solution (C)
Consumer Protection in India: Genesis and Recent Developments

Introduction

- Consumer protection owes its origin to the USA. In the early 1960's, when consumers were unhappy with business firms which followed unfair trade practices, Ralph Nader, a young advocate, championed the cause of consumers against the manufacturers and traders.
- To commemorate President John F. Kennedy's Consumer Bill of Rights, March 15 is celebrated every year as the World Consumer Right's Day.
- In India, the legal provisions for the prevention and control of unfair business practices and for the promotion and protection of consumer's interest have been in existence for a long time.
- The most significant milestone in the history of the consumers’ movement in India was the passing of the Consumer Protection Act in 1986.

Who can file a Complaint?

- Any consumer.
- Any consumers’ association (registered).
- The central government or any state government.
- One or more consumers on behalf of numerous consumers having common interest.
- Legal heir or representative of the deceased consumer.

Where to file a Complaint?

- The forums where a complaint can be filed are:
  - The District forum, if the claim is up to Rs. 20 Lakhs.
  - The State Commission if the claim is between Rs. 20 lakhs and Rs. One crore.
  - The National Commission, if the claim exceeds Rs. One crore.
- These forums are quasi-judicial bodies, consisting of judicial as well as non-judicial members and headed by a person from the legal background.
- They act like tribunals. They are vested with the powers of a civil court. They follow the principle of natural justice.

Procedure of filing a Complaint

- A written complaint can be filed by the complainant or any person authorised by him, along with the supporting documents, if any.
- There is no need of engaging any advocate. A small fee proportionate to the compensation claimed is to be paid.

New Consumer Protection Bill, 2018

- The new bill to replace Consumer Protection Act, 1986 focus on faster redressal of consumer grievances and to ensure stringent action against unfair trade practices.
- Setting up of an executive agency, to be known as the Central Consumer Protection Agency, to promote, protect and enforce the consumer rights.
- Penalising of celebrity endorsements for false and misleading ads.
- Declaring of unfair terms of a contract as null and void.
• Setting up of mediation centres in consumer courts, as an alternate dispute resolution mechanism.
• Enforcing of product liability against the manufacturers.

Conclusion

• The Consumer Protection Act has provided an effective organisational structure through the length and breadth of the country.
• A large number of voluntary consumer organisations have also emerged. The traders and service providers have started taking note of the consumer rights. However, there is still a long road ahead to ensure effective consumer justice.
• It is hoped that the new Consumer Protection Bill, 2018 shall overcome the shortcomings and consumer forums will act expeditiously to clear the backlog of cases, so as to give a boost to the consumer protection movement in India.

Questions

1. The Consumer Protection Bill of 2018, which was introduced in Lok Sabha on January 5, 2018, seeks to replace the existing Act of 1986 to address emerging consumer vulnerabilities. Discuss the merits and demerits of this Bill.

2. To what extent has the Consumer protection act succeeded in achieving its intended objective? Critically analyze the recently proposed amendments to strengthen the act.

3. Which of the following statements is/are CORRECT?
1. The Consumer Protection Act – 1986 was enacted to better protect the interests of consumers by establishing a four-tier quasi-judicial consumer dispute redressal machinery, popularly called Consumer Fora at the national, state, district and block levels for settlement of consumer disputes
2. Consumer Welfare Fund created in 1992, protect the welfare of the consumer, create consumer awareness and strengthen consumer movement in the country, particularly in rural areas
3. Organisation engaged in customer welfare activities for a period of three years and registered under the Companies Act, 1956 are eligible for seeking financial assistance from the Consumer Welfare Fund

Answer choices
A. 1 Only
B. 2 & 3 Only
C. 1 & 2 Only
D. All of the above

Solution (B)
Keeping Pace with Technological Dynamics

Consumer and Consumer Protection

- All people have an inherent right to expect safe quality goods/services and expect fair treatment while finding solutions if things go wrong.
- In this respect, every country should have consumer protection policies providing adequate protection by not only encouraging ethical businesses, but also preventing abusive business practices.
- Government should develop, provide and maintain, adequate infrastructure, implement, monitor and ensure consumer protection policy measures that benefit everyone, including the vulnerable disadvantaged in rural areas or in poverty.

The Digital World

- Digital medium and mobile transactions have transformed consumer’s lives. Access and availability of an affordable, consistent, good quality broadband internet infrastructure is a central prerequisite for a country’s economic development.
- Today over 40% of the world’s population uses internet and with the current focus on access and inclusion, this is bound to increase.

Consumer Perceptions and Reality

- Consumers should have clear knowledge on their personal data collected, its purpose, be fully alert about the implications of its use in the digital economy and know easy effective methods, to assert control or mitigate risks.
- In a digital economy, we may not be able to avoid data transmissions. However, it is vital that consumers exert control over personal data flows and privacy preferences.
- Regulators should ensure that all information stored or transmitted, are with the highest rational standards of security, either by incentivising or strict monitoring, that force companies to adopt the best practices by design.

Consumer Redress

- In the event of breaches of security, consumers should have easy access to redress and these rights in the digital medium must be at par with those available for other commerce forms. Availability of independent redress mechanisms is of utmost essential.
- International policy on cross border data transfer should be co-ordinated, so that countries involved in transactions have in place high standards of protection.

Empower Consumers and Build Trust

- Data breaches, stealing of digital personal records, bank account details, email addresses, online account identity etc could mean financial loss and identity theft.
- Personal security and safety in the digital world necessarily should also cover child consumers, who are vulnerable to harm or less able to manage online risks.
- Regulators, in addition to raising awareness about online security, have to coordinate with companies to develop safe and secure system practices, easy for consumers to adopt.
Upholding digital consumer protection and treating them fairly, should be the corporate culture and fundamental objective in governance of digital providers.

The regulatory policy legislation should be such that companies practicing adverse methods that harm vulnerable consumers be severely penalised.

It is vital that digital product companies follow international standards of manufacture, provide after sale security updates, and ensure that consumers are fully compensated in case of any harm encountered due to safety or security reasons.

**Conclusion**

- **Consumer confidence and trust in the digital system** are pivotal to deliver socio-economic benefits for consumer citizens.
- The responsibility for ensuring protection of consumers’ online rights, upholding autonomy and personal freedom requires collaboration among governments, international organisations and businesses across nations.
- **Consumer laws and regulations** should keep pace with the technological dynamics. It is imperative to engage, address and resolve critical issues with utmost urgency.

**Questions**

1. Examine the importance of Consumer laws and regulations in the present digital era to ensure consumer protection?

2. The First International Consumer Protection Conference on “Empowering consumers in new markets” for the South, South East and East Asian Countries was held on 26 to 27 October 2017 in New Delhi. Consider the following statements regarding this:

   1. The comprehensive implementation of the United Nations Guidelines for Consumer Protection is a priority for Governments and stakeholders in ensuring more effective and better-coordinated protection efforts in all countries and across all areas of commerce.
   2. The protection of consumers’ rights in the digital context is important for a sustainable and inclusive development of e-commerce, which also needs to address cross-border cooperation and enforcement.
   3. Consumer education is paramount to maximize consumer empowerment, needing new and innovative ways to reach and enhance consumers’ knowledge of their rights and obligations in the marketplace.

Which of the following above statements is true?

a. 1 and 2  
b. 2 and 3  
c. 1 and 3  
d. 1, 2 and 3

**Solution (d)**
Consumer Inclusion in Financial Services

Introduction

- The **UN guidelines for consumer protection** are a valuable set of principles dealing with effective consumer protection legislation, enforcement institutions and also redressal mechanisms.
- **Consumer confidence and trust** in a well functioning market for financial services promotes **financial stability, growth, efficiency and innovation**.

Consumer Education

- Consumers are empowered when they know their rights and obligations and are able to defend them.
- Consumer education needs the participation of many stakeholders, such as consumer protection and education authorities, businesses and consumer organisations, the academia and the media.

Consumer inclusion in financial services

- The question arises whether there is need for a separate consumer law for financial services.
- The financial services are more complex area with numerous players like banks, CAs, agents, brokers, advisers, intermediaries, etc.
- There should be **appropriate controls and insurance mechanisms to protect consumer assets, including deposits**. Financial literacy becomes important.
- **RBI plays an important role** in laying down broad policy with regard to interest rate, various charges and treatment of customers by commercial banks.
- Financial services includes broad range of businesses that manage money like banks, RBI, credit card companies, insurance companies, consumer finance companies, stock brokerages, investment funds, mutual funds, etc.
- The important point of inclusion comes particularly in the rural areas in a vast country like India with varying levels of literacy.
- In some parts of the country, a bank account even is not known to people. The recent **Pradhan Mantri Jan Dhan Yojana has helped ‘financial inclusion’** with the opening of more than 350 million beneficiaries.
- The hassle free DBT transfer without middlemen gives them a sense of ‘inclusion’ in national development.

Conclusion

- Financial services show the poor ways out of poverty and of leading better lives. To the wealthy, financial services offer opportunities to make money grow.
- But it depends upon good management and consumer protection with speedy redressal of grievances.

Questions

1. **The financial services are more complex area with numerous players like banks, CAs, agents, brokers, advisers, intermediaries, etc. What is the need for a separate consumer law for financial services?**
Consumer as Co-Protector in Health Services

Introduction

- Consumer is a person or organisation who buys goods or services for their own use.
- Since economy and a functioning market is of interest to all modern societies, in all levels, the governments takes up responsibilities for establishing and implementing mechanisms for both business and consumer protection.

Consumer Protection in India

- India was amongst the earliest to join the legislative approach for consumer protection with enactment of the Consumer Protection Act (CPA) in 1986, within a year of UN Guidelines for Consumer Protection (UNGCP), 1985.
- The CPA, 1986 provides for consumer disputes redressal at the district, state and national level. A separate Department of Consumer Affairs was setup at the state and central level.

Health Services and Consumer Protection

- There are few provisions and mechanisms, which directly and indirectly can be considered as tools for consumer protection. One approach is public provision of health services and regulation of health services.
- The provision of health services by government is considered an approach to ensure that the services are available at affordable cost.
- Regulation of prices of products and services in health sector are other mechanism to keep services within affordable limits.
- The other mechanism is the standardisation of products and ensuring that services meet minimum standards. This is done to assure the quality of products.

Recent Initiatives

- The Clinical Establishment (Registration and Regulation) Act, 2010
  - This act aims to ensure that all clinical establishments meet basic minimum standards and follow standard treatment guidelines.
  - The act also aims to protect consumers in healthcare from unscrupulous providers.

- State Specific Regulations on Clinical Establishments
  - Many Indian states have enacted legislations regarding regulation of healthcare facilities, cost of procedures and penalties for violations of such provisions.
  - These acts and rules ensure quality of health services and protect consumers in health services.

- The Drug (Price Control) Order (DPCO), 2013
  - The DPCO has provision for government regulating the price of essential medicines and drugs. This is relevant in India as the cost of medicines contribute two third of total cost paid out of pocket by patients.
  - DPCO ensures that at least for medicines which are included in the Essential Drug List (EDL), the patient does not end up paying an exorbitant cost.
  - The government has exercised their power to control/cap the prices of stents and implants through this order.
• Other Examples
  o Prescription of generic names of drugs is also seen as an approach for consumer protection.

Way Forward

• Adopting a Broader and Holistic Approach
  o Making consumers aware of their rights, giving due considerations to the complexities of health services and related outcomes.
  o Making consumers aware of their duties.
  o An appropriate blend of consumer awareness, health education, and health literacy can lead to consumer protection in health sector as well as improved health outcomes in India.

• Engaging Civil Society
  o The civil society organisations and community set-ups such as Mahila Arogya Samitis under National Urban Health Mission and ASHA workers could play many roles in health sector.

• Utilising Emerging Strengths
  o The mass media could be optimally utilised for awareness and protection of consumers in health sector.
  o The information and communication technology, mobile based applications and social media platforms could serve an appropriate tool for raising consumer awareness.
  o Caution must be exercised as these tools could prove harmful with spread of unverified information.

• Health Education
  o Incorporating consumer awareness and health education in the curricula of schools and colleges at different levels.

Conclusion

• People are an integral part of health systems and health services need to be designed with policies keeping the consumer perspective at the centre.
• The government has released a new National Health Policy (2017) and there is an ongoing policy dialogue on Universal Health Coverage (UHC) in the country.
• The UHC is possible with active participation of people and communities and consumer awareness can play an important role.

Questions

1. Which of the statements about Consumer Protection Bill 2018 is /are correct about the bill?
   1. The consumer can lodge a complaint only at the same place from where she purchased the product.
   2. The complainant need not be accompanied by a lawyer.
   3. If the manufacturer and the complainant arrive at a compromise, the latter can withdraw the complaint.
   (a) Only 1 and 2
   (b) Only 2 and 3
   (c) Only 1 and 3
   (d) All

   Solution (b)
Educating the Rural Consumer

Introduction

- **The buying preferences of India’s rural consumers are changing fast.** Rural consumers’ income levels are on the rise, enabling them to buy products and services that improve the quality of their lives.
- **In terms of economic output,** rural India accounts for almost half of country’s economy, and the rural markets have the potential to reach $500 billion by 2020. Thus rural areas will continue to remain vitally important to the Indian economy.

Rural Markets

- The rural markets which were earlier ignored by most of the big international market players are now being seen having great business opportunities. More and more corporate houses are entering into the rural markets with their new goods and products.
- Rural markets are of sub-standard goods and duplicity of branded goods is another major problem in rural areas. Many of these products have become health hazards.
- Services like insurance, banking, electricity, medical have expanded in the rural areas without any checks and balances and the rural consumers continue to be exploited by the service providers.
- Spurious drugs are causing major health hazards. The vulnerable sections are mainly women, children and farmers.
- It is common to find that farmers are supplied defective seeds, adulterated pesticides and other commodities.
- The Government has taken number of legal measures to protect the consumers by enlarging the scope of consumer protection. The Consumer Protection Act, 1986 is the principal legal remedy available to the consumers.

Need for Consumer Education in Rural Areas

- The need for consumer education has increased over time as today the consumers operate in an increasingly complex market place and are faced with increasing amounts of information and an expanding choice of complex products and services.
- They are more exposed to fraud and require a wider range of skills and knowledge than ever before.

Misleading Advertisements and Role of Media

- The media has a greater responsibility towards the vulnerable sections of the society including the rural consumer.
- Due to the entry of large number of players in the rural market and also due to stiff competition there are larger numbers of misleading advertisements resulting in exploitation of the consumers.
- There are no effective sanctions against misleading advertisements. It needs to be emphasised that the poor, uneducated consumers in the rural areas are most likely to be harmed.
- The Jago Grahak Jago has been an important medium to communicate with the consumers. However, to communicate effectively with the rural audiences, we need to improve further.
- Rural India has high ownership of transistor radios and these can become a popular medium for reaching the rural masses.
• The **DD kisan channel** is an attempt to reach the knowledge to farmers as it has become necessary to bring a big change in agriculture.
• We also need to have an **effective regulator for advertisements** so that the consumers are not mislead by claims and counter-claims.
• **Consumer court** neither has the power nor the infrastructure to investigate, suo motu into misleading advertisements nor take-up such cases on their own.

**Strengthening Redressal Mechanism**

• **Redressal of complaints** is a major concern for consumers. Having a **right to access the redressal mechanism** is of prime importance.

**Panchayat Raj Institutions**

• To reach the rural consumers, it is imperative to **involve the Panchayati Raj institutions** in not only **educating consumers** but also ensuring that **fake and spurious products are not sold** in rural markets.

**Questions**

1. It is said that number of rural consumers is on the rise in India. Examine the contributing factors and impact of this rise on Indian economy.

2. Today the consumers operate in an increasingly complex market place is exposed to fraud and requires a wider range of skills and knowledge than ever before. Analyse the need for consumer awareness in rural areas.
Quality Assurance for the Consumer

Introduction

- “A consumer is the most important visitor on our premises...” Mahatma Gandhi. The consumer is the foundation of any organisation’s success.
- India has a large population which creates a large market to every manufacturing and marketing organisation. There is a need for consumers to be proactive to protect themselves and for the government to develop measures to protect the consumers.

Standards Institutions

- The visionaries of our country over seventy years ago set up the Indian Standards Institution (ISI), as the national standards body of India.
- With the economy and industry growing leaps and bounds, the ISI was rechristened as the Bureau of Indian Standards (BIS), in 1987.
- BIS apart from making standards available has been providing tangible benefits to the national economy in a number of ways – providing safe, reliable, quality goods; minimizing health hazards to consumers; promoting exports and imports substitutes; control over proliferation of varieties etc. through standardisation, certification and testing.
- These are carried out through its headquarters at New Delhi, its five regional offices at Kolkata, Chennai, Mumbai, Chandigarh and Delhi and the branch offices located across various states.
- Thus BIS is striving to make available quality products to the consumers. It has also made available proactive methodologies which help the consumer do the self-check for the BIS certified products and services, through its website / mobile application.

Questions

1. There is a need for consumers to be proactive to protect themselves and for the government to develop measures to protect the consumers. Comment

2. Which of the following statements is CORRECT?
   A. India is a not yet a member of International Organization of Legal Metrology
   B. Bureau of Indian Standards (BIS) is yet to become a statutory organization
   C. In India hallmarking of gold jewellery started but hallmarking of silver Jewellery / artifacts are yet to be started
   D. None of the above

   Solution (D)
Corridor Concept to Road Development

- The recently announced Bharatmala Pariyojana is an attempt to bring back the corridor concept to road development.
- Bharatmala is a new umbrella program for the highways sector that focuses on optimizing efficiency of road traffic movement across the country by bridging critical infrastructure gaps.
- Bharatmala will be a major driver for economic growth in the country, and help realize the vision of a New India.
- The programme has been designed to bridge the gaps in the existing highways infrastructure so as to make the movement of man and material more efficient.
- Special attention has been paid to fulfil the connectivity needs of backward and tribal areas, areas of economic activity, places of religious and tourist interest, border areas, coastal areas and trade routes with neighbouring countries under the programme.
- Bharatmala will give the country 50 national corridors as opposed to the 6 we have at present. With this, 70 – 80 percent of freight will move along NH as against the 40 percent at present.
- The programme will help to connect 550 Districts in the country through NH linkages. Currently, only around 300 Districts have NH linkages.
- Bharatmala will also have a positive impact on the Logistic Performance Index (LPI) of the country.
- Apart from this, the programme will also help generate a large number of direct and indirect employments in the construction activity, the development of highways amenities and also as part of the enhanced economic activity in different parts of the country that will result from better road connectivity.
- Bharatmala envisages improving the efficiency of the National Corridor (Golden-Quadrilateral and NS-EW corridor) by decongesting its choke points through lane expansion, construction of ring roads, bypasses/ elevated corridors and logistics parks at identified points.
- Bharatmala also envisages building 3300 kms of Border Roads of strategic importance along international boundaries and 2000 km of International Connectivity roads to promote trade with Nepal, Bhutan, Bangladesh and Myanmar.

Questions

1. Which of the following is/are the components of the Bharatmala Project?
   a) 1 and 2
   b) 2 and 3
   c) 1, 2 and 3
   d) 1 and 3
   
   Solution (c)
Do You Know?

Water Audit

- Water is life. Yet we do not give water the importance it deserves because it was perceived to be plentiful and inexpensive and there were few incentives for conservation of water.
- Now, the whole scenario has been changes. **Water scarcity is a recognised global problem**, with demand for water projected to exceed supply by 40% by 2030.
- By the same year half of the world’s population will be living in areas of high water stress. **India will soon be water stressed country and we all need to work towards water security.**
- The ‘Mantra’ is reducing the use of water and its **efficient and wise management.**
- **Water audit is an effective management tool** for minimising losses, conservation by reducing, reusing, and recycling of water in various sectors such as domestic, power, industrial and irrigation sector.

Facts for Prelims

MSME Delayed Payment Portal – MSME Samadhaan

- MSME Delayed Payment Portal – MSME Samadhaan (http://msefc.msme.gov.in), empowering micro and small entrepreneurs across the country to directly register their cases relating to delayed payments by Central Ministries/Departments/CPSEs/State Governments was launched recently.
- The Portal will give information about the pending payment of MSEs with individual CPSEs/ Central Ministries, State Governments, etc.
- The portal will greatly facilitate the monitoring of the delayed payment in a more effective manner.

National Power Portal (NPP) – a Centralized Platform for Collation and Dissemination of Indian Power Sector Information

- NPP is a **centralised system for Indian Power Sector** which facilitates online data capture/ input from generation, transmission and distribution utilities in the country.
- It is integrated with associated systems of Central Electricity Authority (CEA), Power Finance Corporation (PFC), Rural Electrification Corporation (REC) and other major utilities and would serve as **single authentic source of power sector information** to apex bodies, utilities for the purpose of analysis, planning, monitoring as well as for public users.
- The system is **available 24x7 and ensures effective and timely collection of data.** It standardized data parameters and formats for seamless exchange of data between NPP and respective systems at utilities.
- The **Nodal Agency** for implementation of NPP and its operational control is **CEA.** The system has been conceptualized, designed and developed by National Informatics Centre (NIC).

National Anti-profiteering Authority under GST

- The "anti-profiteering" measures enshrined in the GST law provide an **institutional mechanism to ensure that the full benefits of input tax credits and reduced GST rates on goods or services flow to the consumers.**
The institutional framework comprises the NAA, a Standing Committee, Screening Committees in every State and the Directorate General of Safeguards in the Central Board of Excise & Customs (CBEC).

Affected consumers may apply for relief to the Screening Committee in the particular State. In case the incident of profiteering relates to an item of mass impact with 'All India' ramification, the application may be directly made to the Standing Committee.

The Standing Committee shall refer the matter for detailed investigation to the Director General of Safeguards, CBEC, which shall report its findings to the NAA.

In the event the NAA confirms there is a necessity to apply anti-profiteering measures, it has the authority to order the business concerned to reduce its prices or return the undue benefit availed by it along with interest to the recipient of the goods or services.

In extreme cases, the NAA can impose a penalty on the defaulting business entity and even order the cancellation of its registration under GST.

Questions

1. What is the utility of the National Power Portal (NPP) recently constituted by the Government?
   1. It will facilitate online data capture from generation, transmission and distribution utilities in the country.
   2. It would serve as single authentic source of power sector information to not only apex power bodies but also public users.
   3. It will be the major physical connecting node junction of national smart grids.
   Select the correct answer using the codes below.
   A. 1 and 2 only
   B. 1 only
   C. 2 and 3 only
   D. 1, 2 and 3

   Solution (A)

2. The National Anti-Profiteering Authority, set up under the Goods and Services Tax regime, can
   1. Take suo moto action against erring companies
   2. Order reduction in prices of goods and services
   3. Cancel a company’s registration if it doesn’t pass on tax rate cuts to consumers
   Select the correct answer using the code given below:
   a) 1 only
   b) 2 and 3 only
   c) 2 only
   d) 1, 2 and 3

   Solution (d)