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## News Analysis (21 Jul, 2020)

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### Consumer Protection Act, 2019

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#### Why in News

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The **new Consumer Protection Act, 2019** came into force on **21<sup>st</sup> July 2020** and it will empower consumers and help them in protecting their rights through its various notified rules and provisions.

The new act will be swift and less time consuming compared to the **older Consumer Protection Act, 1986** in which single-point access to justice was given making it a time-consuming exercise.

The old act provided for a **three-tier consumer dispute redressal machinery** at the **National (National Consumer Disputes Redressal Commission)**, **State** and **District** levels.

#### Key Points

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- The Consumer Protection Act, 2019 establishes the **Central Consumer Protection Authority (CCPA)** whose primary **objective** will be to promote, protect and enforce the rights of consumers.

**It is empowered to:**

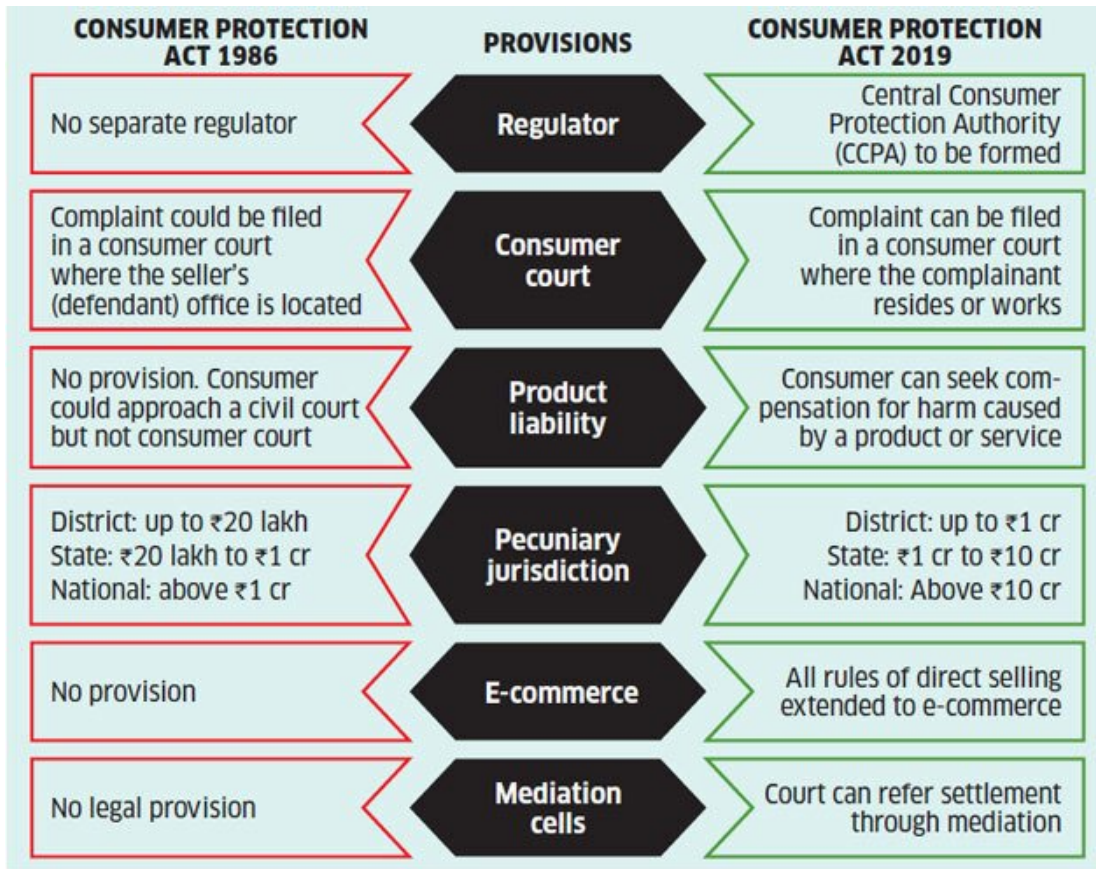
- Conduct investigations into violations of consumer rights and institute complaints/prosecution.
- Order recall of unsafe goods and services.
- Order discontinuance of unfair trade practices and misleading advertisements.
- Impose penalties on manufacturers/endorsers/publishers of misleading advertisements.

- **Rules on E-commerce and Unfair Trade Practices:** The government will notify the **Consumer Protection (E-commerce) Rules, 2020** under the Act whose broad provisions are given below.
  - **E-commerce** entities are **required to provide information** to consumers, relating to return, refund, exchange, warranty and guarantee, delivery and shipment, modes of payment, grievance redressal mechanism, payment methods, security of payment methods, charge-back options and country of origin.
 

These are necessary for **enabling the consumer to make an informed decision** at the pre-purchase stage.
  - These platforms will have to **acknowledge the receipt of any consumer complaint within 48 hours** and **redress the complaint within one month** from the date of receipt. They will also have to appoint a grievance officer for consumer grievance redressal.
  - The Consumer Protection (E-commerce) Rules, 2020 are **mandatory and are not advisories**.
  - Sellers **cannot refuse to take back goods or withdraw services or refuse refunds**, if such goods or services are defective, deficient, delivered late, or if they do not meet the description on the platform.
  - The rules also **prohibit the e-commerce companies from manipulating the price** of the goods or services to gain unreasonable profit through unjustified prices.
- **Product Liability:**
  - A manufacturer or product service provider or product seller will be held **responsible to compensate for injury or damage** caused by defective product or deficiency in services
  - **Basis for product liability action:**
    - Manufacturing defect.
    - Design defect.
    - Deviation from manufacturing specifications.
    - Not conforming to express warranty.
    - Failing to contain adequate instructions for correct use.
    - Service provided-faulty, imperfect or deficient.
- **Punishment for Manufacture or Sale of Adulterated/Spurious Goods:**

In case of the first conviction, a competent court may suspend any licence issued to the person for a **period of up to two years** and in case of second or subsequent conviction, may **cancel the licence permanently**.

- **Alternate Dispute Resolution Mechanism of Mediation:**
  - A complaint will be referred by a Consumer Commission for mediation, wherever scope for early settlement exists and parties agree for it.
  - The mediation will be held in the **Mediation Cells** which will be established under the aegis of the **Consumer Commissions**.
  - There will be **no appeal against settlement through mediation**.
- **Simplification of the Consumer Dispute Adjudication Process:**
  - **Empowering the State and District Commissions to review** their own orders.
  - Enabling a consumer to file complaints electronically and in consumer commissions that have jurisdiction over the place of his residence.
  - Video-conferencing for hearing and deemed admissibility of complaints if the question of admissibility is not decided within the specified period of 21 days.
- **Other Rules and Regulations:**
  - As per the **Consumer Disputes Redressal Commission Rules**, there will be **no fee for filing cases up to Rs. 5 lakh**.
  - The credit of the amount due to unidentifiable consumers will go to the **Consumer Welfare Fund (CWF)**.
  - State Commissions will furnish information to the Central Government on a quarterly basis on vacancies, disposal, the pendency of cases and other matters.
  - Apart from these general rules, there are **Central Consumer Protection Council Rules**, provided for the constitution of the **Central Consumer Protection Council (CCPC)**.
    - It will be an **advisory body** on consumer issues, headed by the Union Minister of Consumer Affairs, Food and Public Distribution with the Minister of State as Vice Chairperson and 34 other members from different fields.
    - It will have a **three-year tenure** and will have Minister-in-charge of consumer affairs from two States from each region- North, South, East, West, and North-East Region.



**Source: PIB**

## Non-personal Data

### Why in News

Recently, a government committee headed by Infosys co-founder Kris Gopalakrishnan has suggested that **non-personal data** generated in India **be allowed to be harnessed by various domestic companies and entities**.

- The committee has also suggested a **separate national legislation** and a **separate authority** to oversee non-personal data.
- It also **recommended mandatory sharing of non-personal data**, as it may be useful for Indian entrepreneurs to develop new and innovative services or products to benefit citizens.

### Key Points

- **Definition:**

- Non-personal data is any set of data **which does not contain personally identifiable information**. This means that no individual or living person can be identified by looking at such data.

For example, order details collected by a food delivery service will have the name, age, gender, and other contact information of an individual, it will become non-personal data **if the identifiers such as name and contact information are taken out**.

- The government committee, which submitted its report has classified non-personal data into **three main categories**, namely **public non-personal data, community non-personal data** and **private non-personal data**.

- **Public, Community, and Private Non-personal Data:**

- **Public non-personal data:** It involves all the data collected by the government and its agencies during execution of all publicly funded works.  
census, data collected by municipal corporations on the total tax receipts.
- **Community non-personal data:** It involves any data identifiers about a set of people who have either the **same geographic location, religion, job, or other common social interests**.

The metadata collected by ride-hailing apps, telecom companies, electricity distribution companies.

- **Private non-personal data:** It can be defined as those which are produced by individuals which can be derived from **application of proprietary software or knowledge**. E.g data generated by companies like Google, Amazon etc.

- **Importance of Non-personal Data:**

These data sets will help to map consumer biases and ensure **targeted delivery of services**. It will unlock the doors of economic value and innovation in the country.

- **Sensitivity of Non-personal Data:**

- Unlike personal data, non-personal data is more likely to be in an anonymised (without particulars or details) form.
- However, in certain categories such as data related to national security or strategic interests such as locations of government laboratories or research facilities, even if the data provided in anonymised form can be dangerous.
  - Possibilities of such harm are obviously much higher if the original personal data is of a sensitive nature.
  - Therefore, the **non-personal data arising from sensitive personal data may be considered as sensitive non-personal data**.

- **Issues Involved:**

- The data sets will heavily **favour big tech companies**.  
Only big tech companies possess the capital and infrastructure to create such large volumes of data. Others will find it difficult to match the capabilities of these technology giants.
- As a signatory to **Trade-Related Aspects of Intellectual Property Rights (TRIPS)**, India extended copyright protection to computer databases in 1999.  
In such a scenario, there is a challenge of demarcation between non-personal data that cannot be shared, and non-copyright non-personal data that can be used as a public resource.
- There is **no clarity over the grievance redressal mechanism** in the committee's report.

## Way Forward

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- Like many other countries, India too will have to define non-personal data in a manner that protects intellectual property rights, serves genuine public interest and promotes innovation.
- India can learn from **France's National Strategy on Artificial Intelligence policy**, which encourages economic players **to share and pool their data** with the state acting as a trusted third party.  
France's policy even empowers public authorities to impose openness on certain data because of its societal benefits.
- India can also look towards the **European Union's Regulation on the Free Flow of Non-Personal Data**, which recognises the free flow of non-personal data as a prerequisite of a competitive economy.

## Source: IE

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## Direct Monetisation for Funding Deficit: SBI

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### Why in News

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Recently, a report by the **State Bank of India (SBI)** has recommended **direct monetisation** as a possible way of funding the Centre's deficit at lower rates, without increasing inflation and affecting debt sustainability.

### Key Points

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- **Direct Monetisation:**

- It simply means that the **Reserve Bank of India (RBI)** directly funds the Central government's deficit against government bonds or securities.
- Until 1997, the government used to sell securities directly to the RBI. This allowed the government to technically **print equivalent amounts of currency to meet its budget deficit.**
- However, this practice was **stopped over its inflationary impact** and in favour of fiscal prudence.
- This is **different from the "indirect" monetisation** that RBI does when it conducts the **Open Market Operations (OMOs)** and/or purchases bonds in the secondary market.

- **Increasing Debt:**

- Most agencies expect **India's Gross Domestic Product (GDP) to contract by more than 5% in FY 2020-21** as a result of slump in economic activity. This has **also led to reduction in revenues of the government.**
  - This means the **government will run short of its revenue targets,** and will be forced to raise debt.
- Further, SBI noted that the GDP collapse is pushing up the debt-to-GDP ratio by at least 4%.
  - India's debt-to-GDP ratio is projected to rise to around Rs. 170 lakh crore or 87.6% of GDP in FY21, from Rs 146.9 lakh crore (72.2% of GDP) in FY20.
  - The higher debt-to-GDP ratio means, less probability of the country to pay back its debt and the higher its risk of default.

- **Recommendations of the SBI Report:**

- The report argued that the **Fiscal Responsibility and Budget Management (FRBM) Act, 2003** also allows direct monetisation of deficit in certain exceptional circumstances, the **Covid-19 pandemic** being one such. It expects this not to be inflationary, given the stagnant demand in the country.
- The report argued that **bringing growth back is more important to debt sustainability as compared to fiscal conservatism** (which involves lower levels of public spending, lower taxes and lower government debt).
  - As the current level of foreign exchange reserves are sufficient to meet any external debt obligations. Also, since most of the debt is domestically owned, the debt servicing of the internal debt is also not an issue.
  - The real challenge is the contraction of economic growth, which can turn **interest rate-growth differential into a positive trajectory**.  
**Interest rate - growth differential** is a key metric watched by agencies to gauge debt sustainability.
  - **negative interest rate-growth** differential, which denotes growth is higher than interest rate on debt, is important from a sustainability perspective, as higher growth means government's revenue expansion will outstrip any spike in debt repayment.

**Source: IE**

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## **Zoram Mega Food Park: Mizoram**

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### **Why in News**

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Recently, the government has operationalized the **first Mega Food Park (MFP) of Mizoram i.e. Zoram Mega Food Park**.

It has been set up under the 'Mega Food Park Scheme'.

### **Key Points**

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- **Zoram MFP:**

- It is located in Khamrang village in Kolasib District, Mizoram.
- It is spread over 55 acres of land and is set up at a cost of Rs. 75. 20 crores.
- It is not only expected to benefit the people of Mizoram but also that of adjoining districts in Assam.

**Assam** already has a MFP in its Nalbari district- **North East Mega Food Park.**

- It will **boost the North-East Region's potential to become the organic destination of the world** due to its rich agricultural and horticultural produce.

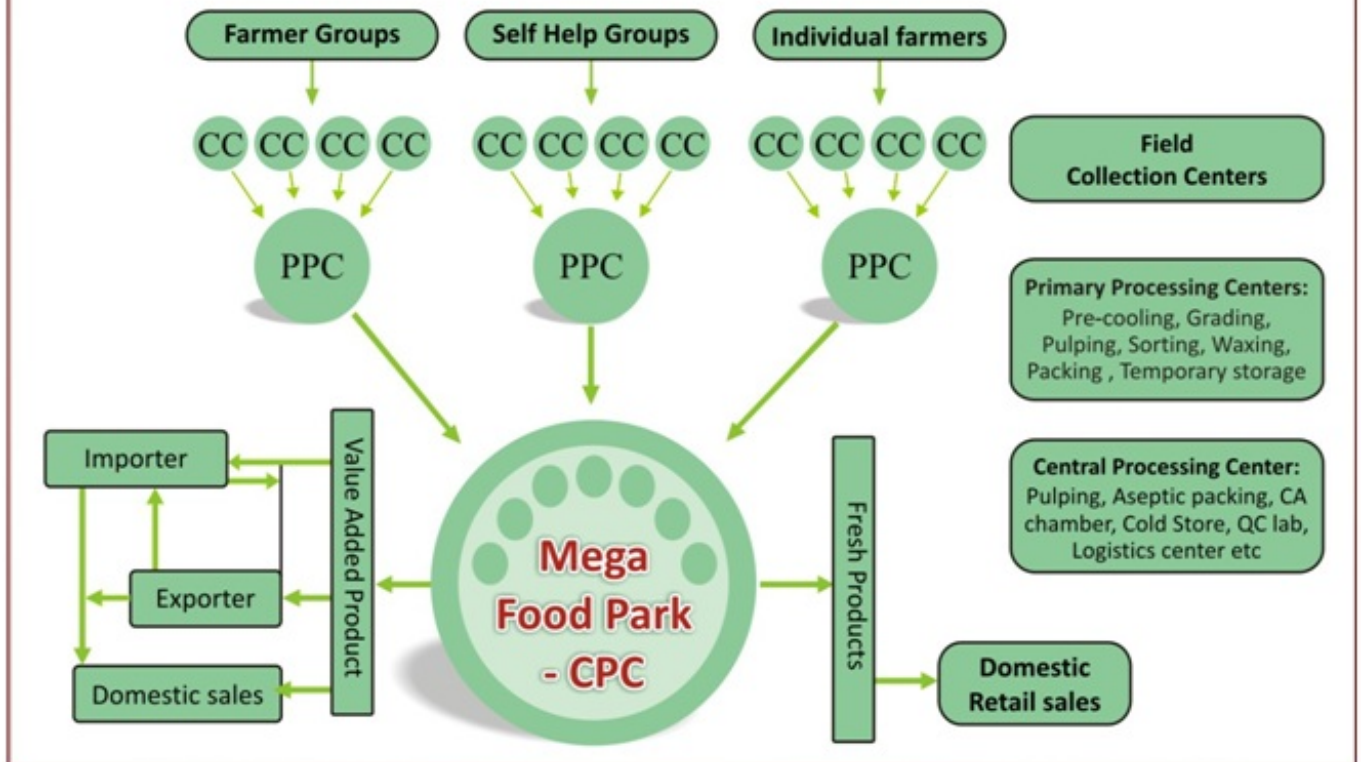
**Sikkim** has already been **declared as an organic state.**

- **Mega Food Park Scheme:**

- **Launched in: 2008-09** under the purview of the **Ministry of Food Processing Industries.**
- **Aim:** To provide a mechanism to link agricultural production to the market by bringing together farmers, processors and retailers so as to ensure maximizing value addition, minimizing wastage, increasing farmers income and creating employment opportunities particularly in the rural sector.
- **Components:**
  - The Scheme is based on the **“Cluster” approach** and envisages creation of state of art support infrastructure in a well-defined agri/horticultural zone for setting up of modern food processing units in the industrial plots provided in the park with a well-established supply chain.
  - A Mega food Park typically consists of **supply chain infrastructure** including collection centers (cc), primary processing centers (ppc) central processing centers (cpc), cold chain and around 25-30 fully developed plots for entrepreneurs to set up **food processing** units.
- **Financial Assistance:**
  - The central government provides financial assistance **upto Rs. 50 Crore per Mega Food Park (MFP) project.**
  - The MFP project is **implemented by a Special Purpose Vehicle (SPV)** which is a Body Corporate registered under the Companies Act, 2013.
- **Status:**

Presently, 18 MFP Projects are under implementation in various states and 19 Mega Food Parks have already become functional in the States.
- It is in line with the **‘Make in India’** and **‘Atmanirbhar’** vision of the Government of India.

## *Mega Food Park Model: An Illustration*



**Source: PIB**

## **PASSEX with the U.S.A**

### **Why in News**

Recently, Indian Naval ships **conducted a Passage Exercise (PASSEX)** with the U.S. Navy's USS Nimitz carrier strike group near the Andaman and Nicobar islands.

- A passage exercise is normally undertaken whenever an opportunity arises, in **contrast to pre-planned maritime drills**.
- Recently, the Indian Navy had **also conducted similar PASSEXs with the Japanese Navy and the French Navy**.

### **Key Points**

- **PASSEX:**

Four frontline Indian naval ships which included **INS Shivalik****INS Sahyadri****INS Kamorta** and **INS Rana**, teamed up with carrier USS Nimitz and three other U.S. ships to conduct the exercise.

USS Nimitz is the U.S. Navy's **largest aircraft carrier**.

- **Aim:**

To **improve the cooperation** between the U.S. and Indian maritime forces and to **maximize training and interoperability**, which also include air defence.

- **Impact:**

- It will **enhance both sides' ability to counter threats at sea**, from piracy to violent extremism.

A free and open sea promotes an international rules-based order wherein each country can reach its potential without sacrificing national sovereignty.

- It will also **present opportunities to build upon the pre-existing strong relationship** between the United States and India and allow both countries to learn from each other.

- **China Factor:**

- PASSEX comes amid a high alert by the Indian Navy in the Indian Ocean Region (IOR) due to the **stand-off with China along the border in Ladakh**.

The exercise also came amidst mounting tensions in the **South China Sea** where the U.S Navy just conducted a major exercise involving USS Nimitz and USS Ronald Reagan.

- The Indian Navy is keeping a close watch on the movement of Chinese naval ships in the IOR, whose presence has gone up considerably over the years in the name of anti-piracy patrols.

In 2017, China opened its first overseas military base in Djibouti in the Horn of Africa.

**Source: TH**

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## **No Postal Ballots for Above 65 in Bihar**

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### **Why in News**

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Recently, the **Election Commission of India** (ECI) has **decided against extending postal ballots to electors above 65 years of age** in the upcoming Bihar Assembly elections due to logistical challenges.

## Key Points

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- **Background:**
  - Earlier in June 2020, the Law Ministry, on the **recommendation of ECI**, had extended the postal ballot facility to electors over 65 years (being most vulnerable to Covid-19), **Covid-19** patients and those suspected to have it by notifying a change to the **Conduct of Election Rules, 1961**.
  - Earlier, postal ballots were **extended to Persons with Disabilities (PwD) and electors over 80 years** in November 2019 ahead of the Jharkhand and Delhi elections.
- **Working Mechanism:**
  - The postal ballot facility for electors above 65 years is different from the conventional postal service.

Usually, **ballot papers are distributed electronically** to electors and are **returned to the election officers via post**.
  - For above 65 and Covid-19 patients, it works as a **polling station on the move**, with the polling staff visiting the homes of such electors, having them fill out their ballots, sealing them in envelopes and taking it back.

It was done to **minimize vulnerability and exposure** at the polling stations for above 65 and to **not deprive** the Covid-19 patients and people under quarantine **of their voting rights**.
- **Challenges:**
  - After reviewing the preparations for the Bihar polls, the ECI has made this decision keeping in mind the **logistical, staff and safety protocol** related constraints.
  - For collecting votes of so many electors, **additional staff and security will be required** and would not be possible to arrange the facility for about 72 lakh electors, about 10% of the total 7.19 crore electors in the state.
  - State authorities are already preparing 34,000 additional polling stations in order to **limit electors to 1,000 at each location**. It also **requires additional polling personnel** which is an administrative challenge in itself.

## Postal Ballots System

- Ballot papers are distributed electronically to electors and are returned to the election officers via post.

- Currently, **only the following voters** are allowed to cast their votes through postal ballot:
  - **Service voters** (armed forces, the armed police force of a state and government servants posted abroad).
  - **Voters on election duty.**
  - Voters **above 80 years of age or Persons with Disabilities** (PwD).
  - Voters **under preventive detention.**
- The exception to the above-mentioned category of voters is provided under Section 60 of the **Representation of the People Act, 1951.**

**Source: TH**

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## **Ravana's Aviation Route: Sri Lanka**

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### **Why in News**

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Recently, the **Civil Aviation Authority of Sri Lanka** has sought relevant documents and literature from the public to study the mythological character **Ravana's "aviation routes"**.

### **Key Points**

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- **Description:** The Civil Aviation Authority will lead a **research project** titled "King Ravana and the ancient domination of aerial routes now lost".  
The project aims to bring out an **authoritative narrative about King Ravana** as there are many stories about Ravana **flying aircrafts and covering** these aerial routes.
- **Significance:**
  - According to the civil aviation authority, it was Ravana who used a flying machine called "Dandu monara" to fly not only within the country, but also in the South East Asia region.
  - **Tourism:** Sri Lanka's tourism sector promotes the '**Ramayana trail**' for visitors from India — one of Sri Lanka's largest tourism markets.
  - **Sinhala-Buddhists Community:** The majority **Sinhala-Buddhists community** hail the King Ravana.  
The group calls itself **Ravana Balaya.**
  - **Linkages with India: Dravidian parties** in Tamil Nadu acknowledge Ravana as "the brave king" similar to the Buddhists community of Sri Lanka.
  - **Satellite:** Sri Lanka named its first satellite **Ravana-1** launched in June 2019.

### **Sinhala-Buddhists Community**

- The community focuses upon **Theravada Buddhism**, which is the majority belief system of most of the Sinhalese in Sri Lanka.
- Sinhalese are the **largest ethnic group on** the island.
- It mostly originated in reaction to the **colonisation of Sri Lanka by the British Empire** and became increasingly assertive in the years following the independence of the country.
- The **ethnic conflict in Sri Lanka** is rooted in the discrimination against the Tamil minority by the Sinhalese majority after the end of British colonial domination in 1948.

## Theravada Buddhism

- It is the most **ancient branch of extant Buddhism** today.
- It remains closest to the original teachings of the Buddha.
- Theravada Buddhism **developed in Sri Lanka** and subsequently spread to the rest of Southeast Asia.
- It is the **dominant form of religion** in Cambodia, Laos, Myanmar, Sri Lanka, and Thailand.
- In India, this strain of Buddhism is represented by the followers of **Dr B.R. Ambedkar** known as the **Ambedkar Buddhists**, who are exclusive to India.

**Source: TH**

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## National Financial Reporting Authority

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### Why in News

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Recently, the **National Financial Reporting Authority (NFRA)** has constituted a **Technical Advisory Committee (TAC)** to aid and advise the executive body of the NFRA on **issues relating to drafts of accounting standards and auditing standards**.

The TAC comprises **seven members** including the **chairman - R. Narayanaswamy**.

### Key Points

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- **Constitution:** NFRA was constituted in by the Government of India under **section 132 (1) of the Companies Act, 2013**. It is an **audit regulator**.

- **Background:** The decision to constitute the NFRA was taken after the role of auditors and the **Institute of Chartered Accountants of India** came under the scanner for alleged lapses in various corporate scams including that at the Punjab National Bank.
- **Composition:** It consists of a **chairperson**, who shall be a person of eminence and having expertise in accountancy, auditing, finance or law, **appointed by the Central Government** and such **other members not exceeding 15**.
- **Functions and Duties:**
  - **Recommend accounting and auditing policies** and standards to be adopted by companies for approval by the Central Government.
  - Monitor and enforce compliance with accounting standards and auditing standards.
  - Oversee the **quality of service of the professions** associated with ensuring compliance with such standards and suggest measures for improvement in the quality of service.
  - Protect the **public interest**.
- **Powers:**
  - It can undertake investigation related to the following class of companies and bodies corporate, namely:-
    - Companies whose **securities are listed on any stock exchange** in India or outside India.
    - **Unlisted public companies** having **paid-up capital** of not less than **Rs. 500 crores** or having **annual turnover** of not less than **Rs. 1,000 crores** or having, in aggregate, **outstanding loans**, debentures and deposits of not less than **Rs. 500 crores** as on the 31<sup>st</sup> March of immediately preceding financial year.
    - Insurance companies, banking companies, companies engaged in the generation or supply of electricity.
  - Where professional or other misconduct is proved, it has the power to make order for imposing **penalty** of—
    - **not less than one lakh rupees**, but which may extend to five times of the fees received, in case of **individuals**; and
    - not less than ten lakh rupees, but which may extend to ten times of the fees received, in case of **firms**.
- Its account is monitored by the **Comptroller and Auditor-General of India**.
- It is **headquartered** in **New Delhi**.

## Mine Ploughs on T-90 Tanks

### Why in News

Recently, the **Ministry of Defence** has signed **Rs. 557 crore contract** with the **BEML Limited** (formerly known as the **Bharat Earth Movers Limited**) for the procurement of **1,512 mine ploughs for T-90 Tanks**.

The induction is **expected to be completed by 2027**.



## Key Points

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- **T-90 Tanks:**
  - These **Russian-origin** tanks are the **Indian Army's main battle tanks**.
  - Indian Army recently deployed them in the **Galwan Valley** sector of Ladakh amid the **face-off with Chinese troops**.
- **Mine Ploughs:**
  - Mine ploughs **help tanks to clear minefields and minimize risks to men and machines**.
  - After being fitted on T-90 Tanks, they will **facilitate individual mobility** to the tanks while negotiating a minefield.



- **Advantages:**
  - The **mobility of the tank fleet will enhance manifolds** which in turn would **extend the reach of the armoured formations deep into enemy territory** without becoming a mine casualty.
  - The decision is expected to boost the government's '**Make in India**' initiative. As per the procedure, the contract has **Buy and Make (Indian) categorisation** with a minimum of **50% indigenous content** in the Make portion.

## **BEML Limited**

- It was **established in 1964** as a **Public Sector Undertaking (PSU)**.
- It has **partially disinvested** and presently the **Government of India owns 54%** of total equity and the rest 46% is held by public and financial institutions, foreign institutional investors, banks and employees.
- The company operates under **three major business verticals** viz. **Mining and Construction, Defence and Rail and Metro**.

**Source: TH**

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## **Bachpan Bachao Andolan**

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### **Why in News**

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Recently, the Delhi High Court has sought responses from the Delhi government on a petition that said statements of **child witnesses lodged at child welfare centres** should be recorded through **video conferencing** and not physically in courts.

The petition has been filed by **Bachpan Bachao Andolan (BBA)** in view of the **outbreak of Covid-19**

### **Key Points**

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- **Bachpan Bachao Andolan:**

- It is India's largest movement campaigning for the rights of children.
- It was started in by Nobel Laureate **Kailash Satyarthi**.
- **Mission: Identify, release, rehabilitate and educate children** in servitude through prevention, direct intervention, mass mobilisation and legal action to **create a child-friendly society**.
- **Functions:** As a **Non Government Organisation (NGO)**, it has centred its focus on **ending bonded labour, child labour and human trafficking**, as well as demanding the **right to education** for all children.

It organises **Baal Panchayat** on the occasion of **World Day against Child Labour**<sup>th</sup> June.

- It has so far freed more than **88,000 children from servitude**, including bonded labourers.
- **Nobel Prize:** In 2014, **Kailash Satyarthi** was awarded the **Nobel Peace Prize** jointly with Malala Yousafzai for their contribution **towards child education**.

**Source: TH**

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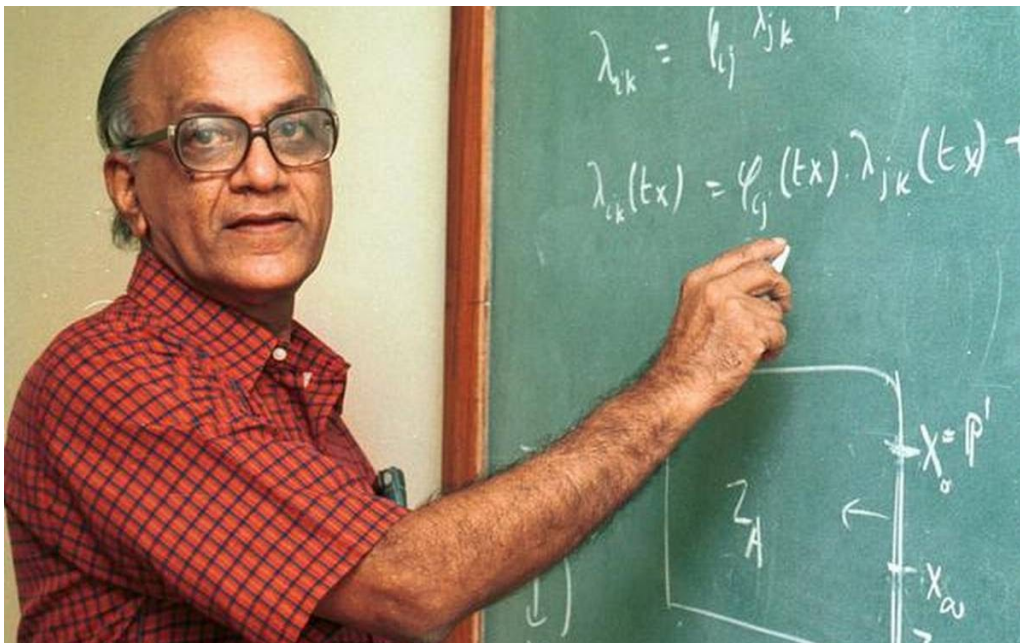
## **C.S. Seshadri**

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### **Why in News**

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Eminent mathematician **Professor CS Seshadri**, known for his contributions in **algebraic geometry** and **mathematical education** passed away recently.



### **Key Points**

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- He was born in 1932 in Kanchipuram and educated in Chennai, TN and Mumbai (he got his PhD from Bombay University in 1958).
- He joined **Tata Institute of Fundamental Research (TIFR)**, where he helped establish a school of algebraic geometry.
- He is known for his work on **algebraic geometry**.
  - Applications of algebraic geometry arise in statistics, control theory, robotics, coding theory, integer programming and theoretical physics.
  - The **Narasimhan-Seshadri theorem**, developed in 1965 with his friend M S Narasimhan, plays a central role in **conformal field theory and string theory**.
- He founded the **Chennai Mathematical Institute**, which attracts talent from around the world with its courses on **mathematics, computer science and theoretical physics**.
- He was elected **Fellow of the Royal Society (UK) in 1988** and a **Foreign Associate of the National Academy of Sciences, USA in 2010**. He was awarded the **Padma Bhushan** (the third highest civilian award in India) in 2009.

**Source: TH**

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