

COMMON CAUSE

VOICE OF "COMMON CAUSE" FORM ACTION GROUPS

In a functioning democracy like ours it is of paramount importance that people should set up local and neighbourhood groups for taking up common public causes for seeking redress and for ventilating their viewpoint on the issues. It is often totally unavailing to strive on individual basis in trying to solve problems which affect a number of people. Individuals can reach out only to the extent of ventilating the issues through letters to concerned functionaries of government organisations, or at most by highlighting through the Press.

Group action enables matters to be taken up more effectively with the executive functionaries charged with the responsibility of ameliorating the grievances, or by advocating to the representatives of the people for placing the matters before the democratic institutions and by taking them to courts for judicial verdict which cannot be then disregarded by the executive.

Experience of COMMON CAUSE of operating through such group action for more than a decade has shown that considerable lot can be achieved in this manner through dedicated effort of individuals. Actions

Annual General Meeting - AGM will be held on Sunday 14th February. Kindly see notice of the Meeting, Annual Report and Auditors' Report from page 24 onwards, and come to the meeting.

Help COMMON CAUSE to help you more. Help by expanding membership. Membership subscription is : Annual Membership Rs.50.00; Life Membership Rs.250.00; Annual Membership for Organisations Rs.200/-. No form is required. Send by M.O./Cheque/Draft.

If you are a pensioner and have benefitted from increase of pension or by commutation restoration, which have resulted from Writ Petitions of COMMON CAUSE in Supreme Court, ponder whether you have repaid debt of gratitude by sending to COMMON CAUSE donation equivalent to one month's increase of pension/commutation restoration, besides your membership subscription.

initiated by the executive functionaries, or by the elected representatives of the people, and in any case redress can be forthcoming from the courts if all else fails. There are cases in which we have been able to secure benefits, through the intermediacy of the Supreme Court, literally for millions, such as in the well-known cases of liberalisation of pensions, restoration of pension commutation, extension of pension benefits to widows, property tax assessments, electricity billing, and through the apex National Commission for Consumers Grievances Redressal of problems such as safeguarding the purity of intravenous fluids, iodisation of salt, functioning of telephones, etc. Through the stimulus provided by COMMON CAUSE, it has been possible to encourage and promote establishment of a large number of homeowners associations, welfare organisations and consumers organisations; we derive satisfaction from remaining

in touch with their activities and programmes.

A very important area which we are now planning to cover is the concept allied to group action in the promotion of setting up of disputes redressal machinery. The state of affairs of backlog cases in the courts of the country is shocking; the present pendency is of the order of two crore cases, civil and criminal. One can imagine the anguish that is caused to vast numbers of people who are involved in these cases and whose problems get further aggravated by the procedures of courts and strikes by lawyers. Details of the disputes redressal machinery are being worked out taking into account the experience of certain other countries. We would be grateful for assistance and advice on this matter from the readers.

THE MAJOR PROBLEM

The most important problem facing the country is of the population explosion. It is a matter of serious concern that over the past decades the efforts in the direction of Family Planning for population control have been halting, inadequate and somewhat evasive. The present population of the country is practically three times that of the undivided country about 50/60 years ago.

There was recently a news item that the State Government of Rajasthan had taken certain steps to tackle the problems of family planning. One of the major steps taken by this State Government was stated to be the incorporation of a provision in the Panchayat Act whereunder any person standing for election to a Panchayat was to be considered disqualified for election if he had more than two children. It was also stated in the news that an order had been issued that maternity leave would not be allowed to a female government servant after three occasions of having availed the maternity leave during the entire period of her service.

From COMMON CAUSE we wrote a letter to the Chief Secretary of Rajasthan Government for securing confirmation of the news. He has sent a copy of the Rajasthan Panchayat (Amendment) Act, 1992 in which, under Section 10 the abovementioned provision has been made. It has been provided that the birth of one additional child within one year from the date of commencement of this Act shall not be taken into consideration for the purpose of such disqualification and that provided a person having more than two children he had on the date of commencement of the Act does not increase. In regard to the orders promulgated on the subject of maternity leave it has been ordered that maternity leave can be granted only thrice during the entire period of the service, but if there is no surviving child even after availing of it three times, maternity leave can be granted on one more occasion.

These decisions of a State Government have obvious importance and significance in relation to family planning programme. We have brought these specifically to the notice of the Ministry of Health and Family Welfare of the Government of India. We request all organisations and individuals, wherever it is possible, to write letters to the Chief Secretaries of their State Government, bringing the above decisions of the State Government of Rajasthan to their notice and suggesting that they should also adopt similar measures in the interest of family planning drive.

In this connection it needs to be pointed out that according to press reports the grave importance and urgency of this entire matter does not yet appear to have been recognised by the Government of India. There are reports, for instance, that targets for free distribution and social marketing of condoms are far from being reached, provision of funds for the purpose has been inadequate, supply of raw material for manufacture of oral contraceptives has not been anywhere near the target, the manufacture of Copper-Ts continues on old variety whereas distinct advances have elsewhere been made in evolving improved variety and the manufacture has been far below the requirements. These are disturbing factors. Details of targets in relation to individual items, and of the failure to reach these targets in the current year, have appeared in the Press reports, and it is for the concerned departments and their officials to explain why these failures have occurred and what measures are being taken to overcome the deficiencies. It is of course evident that the damage already caused by the non-fulfilment of meeting the requirements of supply of the family planning devices is irreparable.

INCOME TAX, WEALTH TAX, CAPITAL GAINS TAX.

WHAT YOU SHOULD KNOW

Every tax-payer has some knowledge of the basis of the taxation provisions. Essential particulars and details are often not known. These particulars may be of crucial importance.

We requested the known Tax Consultant, Mr. R.N. Lakhotia, whom we have the privilege of having as a member of our Government Council, to give us the basics of these relevant taxes. He

has been kind enough to prepare a gist of the essentials, We are deeply grateful to him for this effort.

We are reproducing in this issue of the periodical these particulars and details. They have relevance in the current financial year, and they can be modified by the readers when the next budget makes any changes.

INCOME TAX

UNITS OF ASSESSMENT :

- Individual
- HUF
- Company
- Partnership Firm
- A.O.P. (Trusts)
- Artificial Juridical Person (God or Deity)
- Co-operative Society
- Body of Individuals

HEADS OF INCOME ON WHICH INCOME-TAX IS PAYABLE:

- Salaries
- Income from House Property
- Profits and Gains from Business or Profession
- Capital Gains
- Income from other sources (Dividend, Interest, etc.)

I.T. EXEMPTION LIMITS FOR VARIOUS TAX PAYERS:

	Rs.
Individual	... 28,000
HUF (Specified)	... 18,000
(Others)	... 28,000
Regd. Partnership Firm	... NIL
Company	... NIL

BASIS OF COMPUTATION OF PERQUISITES OF EMPLOYEES:

Rent-free Accommodation (Rule 3 (a))

Normally 10% of the salary + Excess of FRV over 60% or 50% of salary

In case of furnished Accommodation

10% of the original cost of furniture, etc. provided or actual hiring charges.

House Rent Allowance (Rule 2A)

Maximum exemption (being minimum of):-

- (a) Actual HRA
- (b) Excess of Actual Rent paid over 10% of the salary.
- (c) 50% or 40% of the Salary.

Motor Car Use:

- (i) If only for office - no addition
- (ii) Office & Personal Use - Perquisite Value @ Rs.300p.m. + Rs.150p.m. if Driver is provided.
- (iii) Company Car but Employee's expenses for personal use - Rs. 100 p.m.
- (iv) Employee's Car but expenses for personal use - Actual expenses.
- (v) Car - Exclusively for Personal use - Entire expenses as perquisite
- (vi) NIL - Even if given to employee for personal use - if salary less than Rs. 24,000 p.a. (Non-Director - Non interested person).

Gas, Electricity & Water for Office and personal
@ 6-1/4% of the Salary.

Gardener & Watchmen

- Gardener - NIL
- Watchmen & Sweeper - @ Rs. 60 p.m.
- Helper - NIL

Reimbursement of Expenses

- NIL Value

Conveyance Allowance, Daily Allowance

- NIL (Notification No. 8386 dt. 9.6.89)

Medical Expenses

Actual expenses exempt upto Rs. 10,000 p.a. in recognised Hospitals or direct payment in Approved Hospitals + Foreign treatment - S.17 (2) (V).

Educational Allowance

(Notification No. 143 dated 21.2.89)

Rs. 50 per child + Hostel expenses

Rs. 150 p.m. = Exempt.

L.T.A.

Twice in a block of 4 years w.e.f. 1986 (Rule 2B)

Uniform

Exempt (Notification No. 267 (E) dt. 29.3.90)

FORMULA FOR COMPUTING YOUR INCOME FROM HOUSE PROPERTY (LET OUT):

- Rent received
- Less : Amenities provided to Tenants.
- Less : (1) Corporation Tax (Actually paid)
- : (2) New Flat's Deduction (for residential use if constructed before 1.4.92)@Rs. 300 p.m. for 5 years = Annual Value.
- Less : (1) Repairs & Collection charges $\frac{1}{5th}$ of Annual value
- (2) Insurance premium
- (3) Interest on Loan
- (4) Annual charges/Land revenue, etc.
- (5) Vacancy allowance = Net Taxable Income from House Property.

NOTE : There is no income-tax liability on income from self-occupied house property. However, maximum amount allowed as deduction for self-occupied property for interest on loan = Rs. 5000 per annum.

HOW TO COMPUTE CAPITAL GAINS:

Please remember -

Personal effects are exempt from the purview of capital Gains- Section 2 (14) (ii) as per J.A. Shah v. C.I.T. 156 ITR 448.

No. Capital Gains of transfer on HUF partition- Sec. 47.

Capital Gains Exemption available u/s 54,54 F subject to the new C/G Accounts Scheme, 1988 Tenancy Rights no Capital Gains as per C.I.T. v B.C.S. Setty 128 ITR 294 (SC) and Bawa S.C. Singh v. C.I.T. 149 ITR 29 (Delhi H.C.).

Deduction of Capital Gains and Losses and cost of Inflation Index are as per amended section 48 of the I.T. Act, 1961.

LONG-TERM C/G FOR INDIVIDUALS AND HUF IS FULLY EXEMPT U/S 54 ON TRANSFER OF RESIDENTIAL HOUSE, if-

C/G invested in purchase of a residential house within 1 year before or 2 years after transfer or C/G invested in construction of a residential house within 3 years of transfer: and
No sale of such house for 3 years: and
Utilisation of C/G by the date for filing of I.T. Return u/s 139 or deposit of unutilised amount as per new C/G Accounts Scheme by last date for voluntary filing of I.T. Return u/s. 139 (1).

LONG - TERM C/G FOR INDIVIDUALS AND HUF'S EXEMPT U/S 54 F IF THE SALE CONSIDERATION OF ANY OTHER ASSET IS INVESTED IN -

Purchase of a residential house before one year or within two years after transfer: OR

Construction of a residential house within three years of transfer: AND The house not sold for 3 years: AND

Not to own on the date of transfer OR purchase within one year or construct within three years after transfer any other residential house.

NOTE : Utilisation of the Net Consideration by the date of furnishing I.T. Return u/s. 139 is a must or unutilised amount is deposited under New Scheme by the last date for voluntary filing of I.T. Return u/s 139 (1). The new Scheme has been announced. The amount is to be deposited with a Nationalised Bank.

COST INFLATION INDEX:

The Finance Act, 1992 has substituted a new Section-48 for the earlier one which is effective from the current financial year and is relevant for the assessment year 1993-94. In accordance with the newly substituted Section 48, a big change has taken place in the computation of taxable amount of Long-term Capital Gains. Thus, for computing the taxable Long-term Capital gain, the earlier deduction based on percentage of the capital gain has been substituted by a new factor known as "Cost Inflation Index". Thus, it is provided that the Long-term Capital gain in relation to the transfer of any capital asset would be found out by deducting from the full value of the consideration received or accruing as a result of the transfer of the said capital asset, the following amount, namely:-

- (i) expenditure incurred wholly or exclusively in connection with such transfer; and
- (ii) the cost of acquisition of the asset and the cost of any improvement thereto.

It is further provided that the "cost of acquisition" would now be substituted by the words "Indexed Cost of Acquisition". Likewise, "Cost of any improvement" would be substituted by the words "Indexed cost of any improvement". The expression "Indexed cost of acquisition" means the amount which bears to the cost of acquisition the same proportion as Cost Inflation Index for the year in which the asset is transferred bears to the Cost Inflation Index for the first year beginning on 1-4-1981, whichever is later. Likewise, the "Indexed Cost of any

improvement" would be similarly calculated with reference to the Cost Inflation Index. The expression "Cost Inflation Index" for any year means such index as the Central Government may, having regard to 75% of the average rise in the consumer price index for urban non-manual employees for that year, by Notification in the Official Gazette, specify in this behalf. This means that where the capital asset has been acquired prior to 1-4-1981, first its market value as on 1-4-1981 would be taken into consideration. Then the same would be substituted by the Indexed Cost of Acquisition with reference to the Cost Inflation Index for the F.Y. 1981-82, and for the F.Y. 1992-93, for the transfer of a capital asset made during the financial year 1992-93. This would mean that if there is any capital gain by any tax-payer in respect of any capital asset including any property, he would not be liable to any tax on the gains made by him due to inflation. This method of calculating the net taxable Long-term Capital gain with reference to the Cost Inflation Index is more reasonable than the earlier method and amounts to "nil" income-tax liability where sale price is less than the increase in the price due to inflation.

NOTIFICATION

Recently, the Central Government has notified the Cost Inflation Index for the different financial years, vide Notification No. (S.O.595 (E)) dated 5-8-1992 which is as follows:-

Financial Year	Cost Inflation Index
1981-82	100
1982-83	109
1983-84	116
1984-85	125
1985-86	133
1986-87	140
1987-88	150
1988-89	161
1989-90	172
1990-91	182
1991-92	199
1992-93	223

The formula for finding out the "Indexed Cost of Acquisition or the "Indexed Cost of any improvement" would be as under:

Cost of Acquisition x $\frac{\text{Cost Inflation Index for F.Y. 1992-93}}{\text{Cost Inflation Index for F.Y. 1981-82 or later F.Y.}}$

Cost Inflation Index for
F.Y. 1981-82 or later F.Y.

In the same manner, the "Indexed Cost of any improvement" can be found out.

DIFFERENT TYPES OF INCOMES FROM OTHER SOURCES

Interest income
Dividend income
Income from letting on Hire
Lottery income in excess of Rs. 5,000
Income from crossword puzzles in excess of Rs.5,000
Income from races in excess of Rs.2,500
Income from undisclosed sources
Unexplained expenditure
Unexpected Investment, etc.

GROSS INCOME LESS (ALL EXPENSES TO EARN INCOME AND DEPRECIATION) = Taxable Income from other sources.

IMPORTANT INCOME-TAX EXEMPTIONS (I.E. INCOME FULLY EXEMPTED)

Income of Charity Trusts & Educational Institutions u/s 11.
Agricultural Income
Casual Income upto Rs.5,000 (excluding Race Winnings in excess of Rs.2,500).
Certain incomes of Non-resident Indians.
Leave Travel concessions.
Gratuity : 1/2 month's Salary for each completed year (calculated on the basis of average salary for 10 months) - Maximum Rs.1 lakh or 20 month's salary.
Encashment of unutilised leave (maximum 8 month's leave)
Incomes of Hospitals and Educational Institutions.

New industries in FTZ and 100% EOU for 5 years.

Certain interest payments - CIB/Rahat Patras. Scholarships.

House Rent and other notified allowances.

IMPORTANT INCOME-TAX DEDUCTIONS

Section	Particulars
80D	: Medical Insurance Premia - Rs.6,000 p.a.
80DD	: Expenditure on Handicapped dependents - Rs.12,000
80G	: Donations - @ 50% deduction.
80GG	: Deduction for House Rent @ 25% of Total Income of Rs.1,000 p.m.
80HHB	: 50% deduction of profits of Projects outside India
80HHC	: 100% Deduction for Export Income
80HHD	: Foreign Exchange earnings of Hotels, etc.
80HHE	: Export of Computer Software.
80-IA	: New Industrial Undertakings : for 10 years - @ 30% for Companies & 25% for others. (Profits of New Hotels in hilly areas, etc. @ 50% for 10 years.)
80L	: Rs.7,000 Bank Interest/FDR Interest/Dividend/UTI Income etc.
80M	: Inter-Corporate Dividends.
80-O	: Deduction for income from Royalties @ 50%.
80-Q	: Publishers of books @ for 5 years w.e.f. A.Y. 1992-93.
80-U	: Blind, Physically handicapped, etc. - Rs. 20,000.

REBATES IN INCOME-TAX (Out of Gross Income-Tax payable)

Section	Particulars
88	: Rebate on payment of LIC. RF, PPF, NSC, House Loan Repayments, etc.= Maximum Payments = Rs. 60,000. Rebate @ 20% thereon

KNOW THE IMPORTANT INCOME-TAX PENALTIES

Section	Particulars
131	: Each failure to comply with a notice. - Rs.5-00
271(1)(b):	Each failure to comply with a Notice - u/s 143/142 - minimum Rs. 1,000, Maximum - Rs. 25,000.
271 A	: Failure to maintain or retain books of account - Minimum Rs. 2,000 & Maximum Rs. 1 lakh.
271 B	: Failure to get Tax Audit - 1/2% of Turnover or Rs. 1,00,000 whichever is less.
271 C	: Failure to deduct tax at source - Amount of tax deducted.
271 D	: Cash Loan against s.269SS - Amount of Loan.
271 E	: Repayment of deposit against s. 269T =
271(1)(c):	For concealment : 100% minimum and maximum 300% of tax evaded.
272 A	: Each failure to answer questions, sign statements s. 139 A Min. Rs. 500. Max. Rs. 10,000.
273 A	: Reduction or Waiver of Penalty by C.I.T.
273 B	: No penalty on reasonable cause.

PENAL INTEREST IN INCOME-TAX

Section	Particulars
234A	: Default in filing I.T. Return @2% p.m. for default.
234B	: Default in payment of Advance Tax @2% p.m.
234C	: Deferment of the Instalment of Advance Tax @ 1-1/2 % p.m.
244A	: Refund of I.T. - Delay then Interest @ 1% p.m. from 1st October, 1991.

WHEN TO FILE INCOME-TAX RETURNS:

By:-

30th June	: Non-Business Income.
31st Aug	: Business Income.

31 Oct	: Business Income (Tax Audit - Non-company).
31st Dec	: Companies.

KNOW THE DIFFERENT I.T. RETURN FORMS

I.T. Return Form No.	By Whom
1	Companies
2	Business Income
3	Non-business Income
4	Public Charity Trust.

ADVANCE PAYMENT OF TAX

Please remember to pay
30% by 15th September
30% by 15th December
40% by 15th March

PLANNING AS A PARTNER OF FIRM W.E.F. THE A.Y. 1993-94

Both husband & wife can be partners in the same firm -no clubbing u/s 64
Even minors can be partners with parents/ others-no clubbing u/s 64(1).

DEDUCTION OF SALARY & INTEREST TO PARTNERS OF PARTNERSHIP FIRMS:

Salary for professional firms	Rate of deduction
(A) Upto Rs. 1 lakh Book Profit or loss	Rs. 50,000 or upto 90%
(B) Next Rs. 1 lakh Book Profit	upto 60%
(C) On the balance Book Profit	upto 40%
<u>In case of other firms</u>	
(a) Upto income of Rs.75,000 Book Profit or Loss	Rs. 50,000 or upto 90%
(b) Next Rs. 75,000 Book Profit	upto 60%
(c) On balance book profit	upto 40%

Interest

The maximum rate of interest eligible is 18% per annum simple interest.

Note :

Only to working partners, i.e., actively engaged.
Only if authorised by Partnership Deed.
No salary to MINORS; otherwise clubbing.
(Salary to spouse not clubbed if technical or professional qualification and experience).
No perquisites to partners. Take commission and not salary.
No TDS on salary interest.
Taxation of salary/interest to the extent allowed.
Definition of "BOOK PROFIT" is important.

WEALTH-TAX

Generally by Individuals, HUFs, Companies and AOPs.

General Exemption limit Rs. 15 lakhs.

Wealth-tax now payable in excess of exemption limit of Rs. 15 lakhs by Individuals, HUFs & Companies on following items (Non-productive

Mr. N.N. Agrawala, a member of Governing Council of COMMON CAUSE, has been kind enough to also give material for dissemination in relation to Income Tax, Wealth Tax. From his material we are reproducing some basic information:

INVESTMENTS

ITEM	INCOME TAX		WEALTH TAX	
	Taxable	Non-Taxable	Taxable	Non-Taxable
Immovable property			T	
Jewellery			T	
Post Office Saving A/c.		N.T.	Taxable above Rs. 50,000	
Recurring Deposit A/c.		*	Free from Wealth Tax	
Time Deposit Account		*	-do-	
Monthly Incomes		*	-do-	
Public Provident Fund		**	-do-	
National Saving Certificates		**	-do-	
Indira Vikas Patra		**	-do-	
Kisan Vikas Patra		**	-do-	
Deposit Scheme for retired Govt Employees		N.T.	-do-	
Shares		**	-do-	

Assets):-

Residential House

Jewellery.

Farm Houses (in certain cases).

GIFT-TAX

Tax basis = Donor only.

Exemption Limit = Rs. 20,000 (for total gifts).

Gift-tax Rate = 30%

No Gift-tax for marriage gifts upto Rs. 10,000 per dependent relative.

No gift-tax for NRI gifts.

WILLS

Please remember the salient feature relating to Wills

Will may be Registered or Unregistered.

Through Will distribution of assets as you like it-to whom you like it - in the proportion as you like it.

Special Family Trust through Will in the family can be created for tax advantage .

New HUFs, can be created through the Will.

Debentures	T	T.
Deposit with Companies	T	-do-
Specified Mutual Funds	**	N.T.
LIC Polies	**	-do-
UTI and other Investments	**	-do-
Banks Saving A/c.	**	-do-
Fixed Deposits	**	-do-
9% Relief Bonds of the Govt.	N.T.	-do-
Specified Tax free Bonds of NTPC, Railways etc.	N.T.	-do-

* 20 per cent of the total income put under these items during the year is deducted from total tax payable by the assessee.

** Total amount earned during the year is exempt form the Income Tax up to the limit of Rs. 7,000/- only.

T Taxable ; N.T- Non-Taxable

An example: (1) if a person has a taxable income of Rs. 50,000/- during the year from taxable sources, tax payable will be Rs. 4,400/-. If he puts Rs. 22,000/- in LIC premiums, NSCs, Public Provident Fund or other items specified above, his income tax -tax payable will be reduced by Rs. 4,400/- In other words he will have to pay no Income Tax.

(2) If a person has a taxable Income of Rs. 1,00,000/-, he is liable to pay the Tax of Rs. 19,400/. If he puts Rs.60,000/- in LIC Premiums, NSCs, Public Provident Funds, etc., he can get the maximum discount of Rs. 12,000/- in Income Tax and as such he will be liable to pay Rs. 7,400/- as Tax. A person can reduce his total taxable income by giving donations to approved social-benefit Funds, e.g. P.M.'s Relief Fund, Common Cause, etc. when half of the donation will be deducted from total taxable income, which may reduce his tax burden.

In the above two examples, a person can reduce his taxable income by Rs. 7,000/- if his Income to that extent or more is from industrial investments, Bank Deposits, UTI etc; it may be noted that the interest on debentures and interest on deposits in companies does not qualify for inclusion in the above Rs.7,000/-.

(The assessee should make an estimate of his current year's income in September, December and March to determine the exact amount of Advance Tax and Self-Assessment tax that he has to pay. Estimate of the expected income is not required to be filed to any tax authority)

PROPERTY TAX

The problem of Property Tax has continued to cause considerable problems for the owners of residential houses and commercial premises in Delhi. We have from time to time highlighted the aberrations, distortions and anomalies which have been in evidence in the assessments of Property Tax according to the present interpretation of the laws by the municipal authorities. This matter has in the last two years been again taken to the Supreme Court and Delhi High Court but unfortunately no final satisfactory decision has yet emerged.

Meanwhile, according to press reports it appears that Delhi Administration and the Government of India have prepared a Bill for presentation to the Parliament for restructuring the Property Tax assessment and procedures. We have been able to secure information about the specific clauses which have been incorporated in the proposed Bill in relation to the basis of assessment of Property Tax. On examination of these clauses we have found that some of these can further aggravate the problems and will not help to solve them.

An initiative was therefore immediately taken from COMMON CAUSE to call a meeting of all the houseowners organisations of Delhi. There are 160 organisations of houseowners in the list. All of them were addressed on the subject and the matter was explained to them in detail in the communication. After detailed deliberations in the meeting, a comprehensive Resolution was passed. We have considered it necessary to reproduce this Resolution in order that people at other places in the country may also become aware of this matter and the action taken by the houseowners organisations. This Resolution has, in an explanatory forwarding letter, been forwarded to the Lt. Governor of Delhi, Secretary of Ministry of Home Affairs, Secretary of Ministry of Urban Development, Chief Secretary of Delhi Administration, Commissioner of Municipal Corporation, Administrator of New Delhi Municipal Committee, and the Assessor & Collector of the Delhi Municipal Corporation. The letter forwarding the Resolution as well as the copy of the resolution are reproduced:

Dear Sir,

A Conference of the representatives of a large number of organisations and associations of houseowners of Delhi was held today, the 6th December 1992, in the Constitution Club, Rafi Marg, New Delhi, under the auspices of COMMON CAUSE. The representatives of houseowners organisations expressed great concern and resentment at the continuing problems encountered by them in the matter of assessment of Property Tax in the areas of MCD and NDMC. All the different aspects of the problems faced by the people, including alleged ad-hocism and arbitrariness in the assessment of property tax and the corruption involved in the exercise of discretions at various levels of the inspecting and assessing staff, were discussed in detail. After discussions a comprehensive Resolution was passed in the Conference (with only one dissenting vote who in fact contended that the assessment of property tax should not have any relation whatsoever with rent). It was desired that copies of this Resolution should be immediately sent to the Government of India, Delhi Administration and the concerned municipal bodies.

During the discussions leading to the enclosed Resolution a number of speakers desired that the basis of assessment should be related to the area of plot and the area of construction thereon as these have direct relationship to the quantum of services provided by the municipal authority, It was suggested that for this purpose zones can be demarcated as well as the quality of construction can be specified. However, it was felt that in the present circumstances it would be more appropriate to recommend assessment of the rateable value of all properties on the 1971 value, including those premises which were constructed earlier as well as those constructed later. Details of the suggestions in relation thereto appear in the body of the Resolution.

While passing this Resolution it was desired in the Conference that the problems relating to assessment of DDA flats, for the purpose of assessment, should take into account the fact that a number of flats are constructed on same plot of land and the cost recovered by the DDA includes various costs of infrastructure.

On behalf of the homeowners of Delhi, whose associations and organisations were in the Conference, we convey the enclosed Resolution for your immediate consideration of the conclusions and recommendations embodied in it. Selected representatives of COMMON CAUSE and organisations of homeowners would be willing to participate in any discussion which may be considered necessary by the Government of India or Delhi Administration for straightening out this important problem.

RESOLUTION

This Conference of organisations and associations of homeowners of Delhi expresses its serious concern at the continuing problems arising from Property Tax assessments by the municipal authorities of Delhi and New Delhi.

These assessments have over the years involved enormous anomalies, aberrations and distortions, leading inevitably to thousands of cases filed in courts, to the spread of rampant corruption, and to the exasperation of the people. These problems have been further aggravated by the most unfortunate, unconstitutional and infructuous enactment of the provision enabling revision of rateable values with effect from 1988 which has made the position impossible for the owners as they are expected under the existing law to make full payment before their appeals can be entertained in courts. Tens of thousands of notices proposing enormous increase of rateable values have been issued to the owners. These have caused great resentment and have been challenged in courts.

Against this background the Conference has noted that the government has taken the initiative of preparing a draft Bill for restructuring the basis of property tax assessments and for improving the connected procedures. The Conference heartily welcomes the steps proposed to be taken for improving the procedures which are reported to have been based on the recommendations of High Powered Committee, and hopes that the improved procedures will soon come into effect.

Most important problem concerning the matter of property tax is that of the determination of the basis of its assessment. It is noted by the Conference that proposal of the government is to incorporate in the draft Bill the provision that the previously acquired or constructed self-occupied premises will be assessed on the basis of cost of land, and cost of construction, with the proviso that where evidence thereof may not be available the market value as on 1 April 1971 will form the basis. This proposal is acceptable to the people and is hereby endorsed by the Conference. In the case of self-occupied premises constructed in recent years, when land prices and construction costs have vastly escalated, the proposal is to base their assessments on the cost of land and the cost of construction. The Conference strongly feels that this provision will inevitably continue the anomalies and distortions that exist in the present system, and accordingly it expresses most strongly that this provision will not be acceptable to the people. The Conference considers that the best solution of this problem is to provide that all premises constructed after 1 April 1971 will also, on the consideration of the vast escalation of prices and costs, be assessed on the basis of the market value they would have had on 1 April 1971. Such provision will obviously be equitable and will obviate the distortions which are connected with the escalation of land prices and construction costs.

In the matter of rented premises the Conference has noted the proposals incorporated in the draft Bill. The concept of basing assessments on actual or prevalent rental is contrary to the existing constitutional provisions and this matter, the Conference feels, needs to be re-examined by the government. The Conference considers that in the case of rented properties the rate of tax can be different from the

rate fixed for self-occupied properties but the rateable value should be assessed on the same basis as of self-occupied properties. This will be in accord with the practice adopted for levying enhanced rate of tax on properties used for commercial and industrial purposes. It would be appropriate that rateable value should remain unaltered and rate of tax can be suitably adjusted as required, subject to the proviso that tax should not exceed 10% of annual rent.

The Conference notes that there are other matters in the proposals formulated in the Bill which are connected with the assessments and procedures. These matters can be settled by eliciting views of the people. The most important matter is that of determining the basis of assessment, and on this matter the Conference has given its definite and final views in the above paragraphs.

The Conference strongly feels that it is of paramount importance that property tax levy should not become a disincentive to house-building activity as it has of late tended to become. All steps need to be taken by the government to this end because it will be disastrous if the levy of property tax continues to assume the shape of becoming a positive disincentive through its extortious levy and connected distortions. In this connection the Conference feels that the Ministry of Urban Development, Government of India, which is closely concerned with the problems relating to housing development, should also take direct interest in this important matter and it should not be dealt with only by the municipal administrations and the Ministry of Home Affairs which is concerned with this matter because of its relationship to the problems of Union Territories. It is obvious that the disincentive caused by problems of property tax can totally jeopardise the implementation of all schemes of housing development.

The Conference earnestly hopes that the concerned authorities in the municipal bodies of MCD and NDMC, Delhi Administration and the Government of India will give serious and immediate consideration to these views of the associations and organisations of homeowners represented in the Conference, and not allow the position to further deteriorate which can only prove detrimental to the revenues of the municipal bodies.

MALFUNCTIONING OF BLOOD BANKS

In the previous issue of this periodical we have mentioned about the important writ Petition which has been filed in the Supreme Court for highlighting the problems relating to the malfunctioning of Blood Banks in the country. Out of about 1100 Blood Banks operating in the country as many as about 600 are without licence. The arrangements for blood collection, storage etc are inadequate. Blood is not being adequately tested for infection. Blood collection presently depends almost entirely on professional donors who include beggars, drug addicts, under-nourished and infected people, and it is reported that almost 85 per cent of the total blood collected in the country is not tested for HIV/AIDS. Presently, the total collection of the blood in the country is less than the 50% of aggregate requirement of hospitals, nursing homes etc. We have highlighted these various problems in the Writ Petition.

The Supreme Court has expressed great concern about these matters. Show Cause Notice was issued to the Union of India. The Supreme Court asked COMMON CAUSE to submit a comprehensive

scheme for restructuring of the functioning of the Blood Banks, keeping in view the serious problem of the threat of AIDS. A complete scheme was prepared and submitted to the Supreme Court. Whereupon the Union of India was asked to give their comments and also submit their scheme for meeting these requirements. The Scheme submitted by the Union of India contained primarily enumeration of the various measures which are being taken to meet the threat of AIDS.

On the further suggestion of the Supreme Court, discussions have been held with concerned senior officers of the Government of India. The matter has continued to be reported to the Supreme Court. In fact, this has been declared by the Supreme Court to be a case of such importance that the Court has directed it to be listed every week for hearing.

One of the very important suggestions submitted in our scheme is that of creating an atmosphere in the country for persuading the individuals as well corporate bodies to give donations to the Central Authority which we have suggested for being created in the shape of National Institute of Blood Banking and Transfusion Technology. We have suggested that donations given to this Central Authority by individuals and corporate bodies should be given 100 percent exemption from Income Tax. This measure, we have urged, will create an awareness and an incentive for adequate donations to be made to the Central Authority. We have emphasized that the Central Authority should develop competence to launch intensive campaigns in the country for voluntary blood donations through schools, colleges, factory workers, defence forces, police etc.

While the case continues being heard in the Supreme Court, we have written to the Finance Minister of the Government of India, requesting him to favourably consider the suggestion for according cent percent exemption from Income Tax on donations which are given by individuals and corporate bodies to the Central Authority created for the purpose of improving the Blood Banking and Transfusing Technology operations. We await further developments in this regard. If this suggestion of COMMON CAUSE is eventually accepted by the Government of India, and if the proposals made in our scheme submitted to the Supreme Court are ultimately adopted by the Ministry of Health and Family Welfare, it will be the development of a very important measure for improvement of the functioning of Blood Banks, launching of campaigns for voluntary blood donation, improvement of the technology of separation of blood components and of blood transfusion, utilisation of sophisticated equipment for collection and storage etc. of the blood. These measures are of obvious importance in the context of expanding development of blood transfusion requirements by the medical services in the country.

CONSUMER WELFARE FUND

Consumers organisations and individuals would be aware that arising from certain Supreme Court decisions the industrial enterprises, which were claiming refund of certain contended Excise payments, have been asked to refund to the government the amounts which have been already paid to them. Consumers had raised voice in a previous meeting of the Consumer Protection Council that these refunds actually constituted amount which were taken from the consumers and these should be utilised in the interest of the consumers. Arising from this demand the Government of India has set up a Consumer Welfare Fund to which all such refunds are being credited. It is understood that

by now an amount aggregating to about Rs. 58 lakhs has been credited to this fund. Large amounts are expected to come to this fund in the coming months.

The Ministry of Finance, in consultation with the Ministry of Civil Supplies and PDS, has recently formulated Rules for regulating the Consumer Welfare Fund. These Rules were notified vide Notification No. 29/92-Central Excise (NT) and reproduced in Part II, Section 3, Sub-Section (1) of the Gazette of India, Extraordinary, dated 25.11.92. Director of COMMON CAUSE has had the opportunity to examine these Rules. He has since communicated to the Ministry of Civil Supplies and PDS reactions from COMMON CAUSE in relation to these Rules. A major reaction relates to the composition of the Committee which has been set up under these Rules for administering the Fund. It is envisaged that applications from individuals as well as organisations of consumers will be entertained and decisions thereon will be taken by the Committee for making allocations from the Fund for providing financial assistance for projects and programmes relating to consumers' welfare. This Committee, according to the Rules, consists only of officers of the various Departments and Ministries of the Government of India, including the department of Expenditure, Central Board of Excise & Customs, Rural Development Department, and Bureau of Indian Standards. Minister of Civil Supplies & PDS will be the Chairman of this Committee and Secretary of this Ministry will be its Secretary. We have conveyed our strong opinion that this Committee should also include representatives of the consumers which can be nominated on it by the Central Consumer Protection Council.

This matter is obviously of great importance for the consumers all over the country. It is necessary and desirable that organisations of consumers should communicate their views on this matter to the Secretary, Ministry of Civil Supplies & PDS (address: Krishi Bhavan, New Delhi 110001).

In the Rules it has also, inter alia, been provided that the Central Consumer Protection Council or the Bureau of Indian Standards will formulate broad guidelines for considering the projects/programmes for purposes of incurring expenditure from the Consumer welfare Fund. For this purpose it would be appropriate that consumer organisations should take early opportunity to convey specific suggestions which can be submitted to Central Consumer Protection Council in regard to the provisions of the proposed guidelines which will govern the allocation of amounts from the Fund on the basis of applications received from individuals and consumers organisations.

Another provision incorporated in the Rules is that the Fund would also be utilisable for giving grants "for reimbursing legal expenses incurred by a complainant, or class of complainants in a consumer dispute after its final adjudication" Our view is that this clause needs very careful consideration because there can be possibility of its misuse in collusion with the members of the bar, and also through demands based on high fees required to be paid to senior advocates.

It would be appropriate that organisations of consumers should communicate their views to the Secretary to the Government of India, Ministry of Civil Supplies & PDS in connection with the Provisions made in the Rules relating to the Consumer Welfare Fund. The might like to consider the above views which have been communicated from COMMON CAUSE.

IMPLEMENTATION OF CONSUMER PROTECTION ACT

We have previously been disseminating information about the initiatives taken from the platform of COMMON CAUSE for securing early implementation of the Consumer Protection Act in the matter of establishment of the quasi judicial machinery for redressal of the grievances of consumers. A comprehensive Writ Petition was filed in the supreme Court wherein the Union of India and all the State Governments were impleaded. The case was heard a number of times in the Supreme Court and a series of directions were issued to the State Governments whereunder obligation was imposed on the States for early establishment of Consumers Forums in all the Districts. It was directed that where the number of complaints remains less than 150 for a period of six months, the Forum can be operated by the District Judge: where the complaints exceed this number, an independently functioning Consumer Forum must be established, By and large the State Government have started implementing these directions of the Supreme Court, although we are aware that the operation of the District Forums at a number of places is not yet satisfactory.

We suggest that the organisations of consumers should continue pursuing this matter with the State Governments for ensuring that the District Forums are fully strengthened for enabling them to handle all the complaints. There are problems relating to provision of adequate accommodation to the District Forums and also the provision of appropriate staff. These matters should continue to be highlighted by the consumers organisations and the State Governments should be compelled to meet the requirements. Where necessary, the matter can be filed as a writ petition in the local High Court by the concerned consumers organisations. We have already, in previous issues of the periodical, dealt with this matter in detail, and our writ Petition to the Supreme Court has also been reproduced.

The matter was finally heard by the Bench of the Supreme Court almost four months ago. It was stated by the Hon'ble Judges that they would issue the final orders soon but uptill now the orders have not yet issued. We have meanwhile continued to bring to the notice of the President of the National Commission the problems communicated to us in regard to inadequate functioning of some District Forums. The President of the National Commission has already been authorised by the Supreme Court to deal with administrative problems of District Forums and the State Commissions, besides being the Appellate Authority as provided in the enactment. We have urged the President of the National Commission to take up this matter with the concerned State Governments in such administrative capacity authorised by the Supreme Court.

DOCTORS AND PATIENTS

Considerable lot has already been written on the subject of Doctors and Patients which has during the past few months come up as an important subject. Doctors have been claiming that Medical Service is not actionable under the Consumer Protection Act and that there is discrimination in the fact that the hospitals providing free service such as run by the government or the municipal authorities, are exempt whereas nursing homes and hospitals charging fees are being made actionable under the Consumer Protection Act. Opinions have been expressed from various platforms that these contentions of the doctors are not in consonance with the statutory provisions. It is unfortunate that this matter has already gone to certain High Courts and has also featured before the Supreme Court.

While decisions in the High Court and the Supreme Court will be awaited the consumers also await the decision on their recommendation that it should be explicitly provided in the relevant clause in the Consumer Protection Act that medical services are included within the definition of "service" and also that the government hospitals etc. Providing free medical service can also be held responsible for positive negligence which causes injury or damage to a patient.

In this connection the Consumer Action Group of Madras (address: 44 Venkatakrisna Road, Mandaveli, Madras 600 028) has brought out a note wherein advice has been recorded about the information which would be relevant and necessary for submitting complaints under the Consumer Protection Act whereunder the medical service performed by a doctor or a hospital needs to be challenged for negligence. It has been suggested that for cases wherein negligence is proposed to be alleged it would be desirable to secure the following documents which would ultimately be required for proving the case:

- 1) Records of all vital signs of the patient - usually done in a graphical chart.
- 2) Intake and output charts.
- 3) Nursing notes.
- 4) Medications records.
- 5) Laboratory data.
- 6) Progress notes.
- 7) Daily orders given.
- 8) Notes regarding any special procedures done on the patient.

It is obviously difficult to prove a medical complaint unless the above specified vital information becomes available. Patients normally do not have these documents and even when these are asked for, they are not furnished by the hospitals or the doctors. It has also been pointed out in the note of the Consumer Action Group that in this connection there are two additional enactments which are helpful to the patients. One is the Indian Medical Councils Act and the other is the Indian Penal Code. Indian Medical Councils Act provides under Section 20 (a) a code of ethics for registered practitioners and any violation of this code would be treated as professional misconduct and complaint could be forwarded to the respective State Medical Council. Unfortunately, medical councils do not appear to be adequately functioning in certain States. The Consumer Action Group has indicated that they have decided to file a Writ Petition and campaign for mandatory provisions for the maintenance of records by the physicians and the regulations for establishment of the nursing homes.

EXPANSION OF SALES TAX REVENUES

We have in a previous issue of this periodical mentioned that arising from the important change which had been effected all over the country in printing the price on packages containing various commodities sold in the market we envisaged that leakage of Sales Tax revenue would be minimised because the "Maximum Price inclusive of all taxes" printed on the packages would indicate to the customers that all local taxes on the commodities packed therein have already been recovered by the concerned Departments. This change in price printing has yet to bring about the stoppage of the revenue leakage. Major cause of the continuing leakage is that the Sales Tax is not yet being levied

in the States on the "First Point" basis. We have been emphasizing that the State Governments must decide to levy the Sales Tax on the packaged products as they emerge from the factory or as they are received in a State from another State. This change does not suit those persons in authority, including the political leadership, whose interest does not lie in the stoppage of such revenue leakage.

A letter was written from COMMON CAUSE to the Sales Tax commissioners of all the States for ascertaining from them as to which States had adopted the measures for collection of the Sales Tax at the "First Point". The Commissioner of Sales Tax of Maharashtra has written that almost all the goods which are liable to Sales Tax have already been brought to the levy of this tax at the First Point of sale in Maharashtra. Thereafter no tax is levied on subsequent sales of the same goods. There are certain exceptions, according to the Sales Tax Commissioner of Maharashtra, whereunder he has mentioned the items of diamonds, ready to serve food and foreign liquor, which are stated to be liable to tax at the last point of sale and not at the first point. The Sales Tax Commissioner of Maharashtra has confirmed that no problem is caused during the assessment of sales tax by the levy at the first point.

In our letters to the Sales Tax Commissioners we had also asked them whether the Finance Ministry of the Government of India has taken any initiative of instructing them to levy the Sales Tax at the First Point, taking into consideration the fact that we had urged the Finance Ministry to do this. It is a matter of great regret as stated by the Sales Tax Commissioner of Maharashtra the Finance Ministry of the Government of India had not communicated to them any instructions on this point. We have taken up this matter with the Union Finance Minister.

Considering the great importance of this matter, in the interest of the consumers as well as the revenues of the State Governments, we strongly suggest that all organisations of consumers as well as concerned individuals should address letters to their State Governments, emphasizing the importance and necessity of levying the Sales Tax at the First Point and citing the example of Maharashtra State, as mentioned above. It would also be desirable for them to write to the Finance Minister of the Government of India, emphasising the importance and urgency of the need of their sending communications to the State Governments to this effect.

COMMODITIES ACT CONTINUES

We had in a previous issue of the periodical stated that initiative was taken by COMMON CAUSE to persuade in Government to continue the enforcement of certain provisions of the Essential Commodities Act which were to lapse by the end of November 1992, We sent a circular to all organisations of consumers, requesting them to convey their views on this matter to the Prime Minister and the Minister of Civil Supplies. A large number of letters were sent by them, with copies for our information. The initiative taken by the consumers in this behalf has borne fruit. The relevant provisions of the Essential Commodities Act have been continued under an ordinance which obviously in course of time is to be replaced by the requisite enactment. This matter has again since been raised by the organisation of trade and industry; from COMMON CAUSE we have again re-iterated the viewpoint of the consumers about continuation of the relevant provisions.

LAWYERS' STRIKES

It is very unfortunate that lawyers at various places in the country feel compelled to resort to strikes. These strikes adversely affect the image of the judicial processes. Already enormous backlog of cases has accumulated in the courts of the country. Present indication is that nearly two crore cases are pending in various courts; as many as two lakh cases are accumulated even at the level of the Supreme Court. Delays in the disposal of the cases are causing extreme exasperation to the people. These are aggravated by the strikes of the lawyers. There is an inescapable feeling in the public mind that lawyers resort to strikes for settling their own grievances and problems; in resorting to these strikes the interests of the litigants get totally disregarded.

From COMMON CAUSE we had filed a Writ Petition in the Supreme Court, suggesting that a clause should be incorporated in the Code of Conduct prescribed by the Bar Council of India under the Advocates Act wherein it should be clearly laid down that lawyers should not resort to any strikes. The case has come up before the Supreme Court five times. It has yet to be listed for final hearing. One cannot say as to when the final hearing will come about.

Meanwhile a news item appeared in the daily newspapers indicating that a public interest litigation has been entertained by the Delhi High Court on the plea of a person who had come from Pune, Maharashtra, for attending his case in the high Court and who was disabled from pursuing the case on account of the lawyer's strike. From COMMON CAUSE we have taken immediate steps to seek intervention in that public interest matter. We will continue pursuing the matter in the Delhi High Court while waiting for the listing our writ Petition in the Supreme Court.

MUNICIPAL RESPONSIBILITIES

Municipal authorities are charged with a statutory responsibility to provide certain specified services. There are certain specific obligatory functions and discretionary functions which have been enumerated in the relevant statutes. The obligatory functions include items such as water supply, maintenance of hygienic and health standards, maintenance of hospitals, construction and maintenance of roads, bridges, culverts, drains and markets, primary education, checking and prevention of infectious diseases, scavenging and removal of filth, construction and maintenance of drains etc. Optional functions include items such as libraries, museums, managements of fairs and exhibitions, maintenance of poor houses and shelters for destitute and disabled persons etc. In Delhi these functions are detailed in Sections 42 and 43 of Delhi Municipal Corporation Act.

For failure of the municipal authorities to provide the essential services and to perform the specified obligatory functions they can now be taken to task before the "courts" established under the Consumers Protection Act. In an important decision the National Commission established under this Act has held that failure of the municipal authority relating to drainage facilities and maintenance of proper hygienic conditions and environmental purity, which had been alleged in a case, would be actionable under the Consumers Protection Act.

Now that the consumers "courts" in the shape of District Forums are operating in the districts all over the country, either as separate courts or under the existing District Judges, it will be desirable

that defaulting municipal bodies should be put in the dock by organisations and associations of citizens. The relevant decision of the National Commission is contained in the order cited as Petition no. 43 of 1988 of Yamuna Vihar Residents Welfare Association Vs the Delhi Development Authority.

INSPECTOR RAJ

These have always been complaints about the prevalence of Inspector Raj in various spheres of country's administration. Inspectors of different departments of the State Governments as well as the Government of India have been accustomed to visit individuals as well as premises of shops, industries, and other commercial establishments. There have been persistent complaints of corruption connected with such visits of the Inspectors.

It has come to our notice that a good beginning has been made by Delhi Administration inasmuch as this administration has debarred all Inspectors of the Labour Department, dealing with problems relating to factories, boilers, electricity and labour, from visiting any factory without an authorisation from an officer of at least the rank of Assistant Labour Commissioner or equivalent rank officers in the factory, boiler and electricity departments. The decision of the Delhi Administration has come to notice from a Starred Question which was answered in the Lok Sabha on 7th September 1990.

Based on the information about this welcome decision of the Delhi Administration, COMMON CAUSE has addressed a letter to the Lt. Governor of Delhi and the Chief Secretary of Delhi Administration, requesting that order of similar nature should be promulgated in relation to visits of Inspectors of all Departments, including, for instance, Shops and Establishments, Industries, Provident Fund, Sales Tax, Property Tax, Sanitation and Building Regulations etc. We have suggested that no Inspector of any of these Departments should be allowed to visit any premises, including shops, industrial establishments or residential houses, except with permission of an officer of specified rank who should not be lower than the rank of a Superintending Engineer or a Deputy Secretary to the Government.

This is obviously a very welcome development. We strongly suggest that all organisations, associations as well as individuals should take the initiative of addressing similar letters to the Chief Secretaries of their State Governments. For facilitating their task we reproduce hereunder the abovementioned answer to the Unstarred Question No. 5116 on 7.9.1990:

LOK SABHA

UNSTARRED QUESTION NO 5116 (7.9.1990)

ANSWER

THE MINISTER OF COMMERCE & TOURISM

Delhi Administration had been considering steps to streamline and closely monitor the field work and inspections. It, therefore, decided that all inspectors of the Labour Department (such as those of the factory, boiler, electricity and labour) would require authorisation from atleast the Assistant Labour Commissioner (or equivalent rank officer in the factory, boiler and electricity inspectorates) of the zone in which they are posted in order to carry out inspections, This has nothing to do with any proposal of the Delhi Exporter's Association.

FOR PENSIONERS

MEDICAL SERVICES

A matter has been repeatedly referred to us and we have taken the initiative of writing to the Director General of Health Services, Ministry of Health, Government of India, Sometimes a pensioner has to be immediately rushed to a hospital for specialised treatment, such as heart trouble or a problem of serious nature, In such cases it is impossible for the relatives to first seek the medical advice of the concerned CGHS Dispensary for securing referral of the cases to the hospital, we have suggested that in such eventualities the CGHS, should make it possible for reimbursement to be effected to the pensioner of the permissible expenditure on the basis of certification by the hospital about the serious nature of the ailment which necessitated the hospitalisation of the pensioner.

RESTORATION OF PENSION COMMUTATION

Among the benefits which were secured for by the writ Petitions filed by COMMON CAUSE in the Supreme Court one related to restoration of pension commutation. Whereas previously the commutation effected by a pensioner continued the deduction of pension indefinitely for his entire life, we were able to secure a decision from the Supreme Court that the Commuted portion of the pension should be restored to the pensioner 15 years after his retirement. This period was fixed taking into account the fact that in the case of the Defence personnel who retired at earlier age, the commutation factor was even upto 16 and 17. It was decided by the Supreme Court that a pensioner would be entitled to receive his full pension after he has completed 15 years of receiving the commuted pension. The Govt. of India subsequently effected an alteration making the pensioners entitled to receive full pension 15 years from the date of commutation instead of the date of retirement. We maintain that this was an appropriate decision and we have repeatedly been telling the pensioners that we do not consider it appropriate to challenge this decision. A number of representations keep coming to us on this score and we have always been informing the pensioners about our stand.

In relation to this matter of restoration of pension commutation it is a matter of great satisfaction that some pensioners who start receiving full pension after completion of the period of 15 years consider it an act of expression of their gratitude to send us one month's restored portion of the pension. We are grateful for this gesture and convey our deep gratitude to those pensioners who have kind enough to send us one month's restoration of the commuted pension. It is often very touching to receive such payments. A letter received from Thakur Suryabhan Singh of Jaipur is indicative of the kindness and affection with which the pensioners remit to us the payment. He has written:

"My commutation amounting to Rs. 114/- was restored with effect from 18-9-92 and as such one month's increase is being sent to you. Kindly acknowledge receipt. With grateful thanks and due regards"

We only wish that all pensioners whose pension commutation has been restored in compliance with this direction of the Supreme Court, would send such contributions to COMMON CAUSE in the shape of donations. Such a gesture would be very welcome indeed and it would help the organisation to continue helping the people to the maximum extent possible.

TO
ALL MEMBERS OF COMMON CAUSE
NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of COMMON CAUSE Society will be held in the Constitution Club, Rafi Marg, New Delhi on Sunday the 14th February 1993, at 10-30 A.M. Members are invited to the meeting.

Agenda will be as follows:

- i) Consideration of the Annual Report and adoption of the Annual Accounts alongwith Auditor's Report for the year 1991-92.
- ii) Appointment of Auditors for the year 1992-93.
- iii) Activities and Programmes.
- iv) Elections.

It may kindly be noted that in accordance with Rule 15 of the Rules & Regulations of the Society if within half an hour of the beginning the quorum is not present, the meeting shall stand adjourned for the same day and will be held after another half an hour, and members present in the adjourned meeting shall form the quorum of the meeting.

H.D. SHOURIE
DIRECTOR, COMMON CAUSE

AUDITORS REPORT

We have audited the attached Balanced Sheet of COMMON CAUSE as at 31st March 1992 and the annexed Income and Expenditure Account of the Society for the year ended on that date which are in agreement with the books account maintained by the Society.

In our opinion and to the best of our information and according to the explanations given to us, the said accounts give a true and fair view :-

- i) in case of the Balance Sheet of the state of affairs of the Society as at 31st March, 1992 and
- ii) in case of the Income and Expenditure Account of the excess of expenditure over income for the year ended on that date.

for RAO & RAVINDRANATH
CHARTERED ACCOUNTANTS

A.V. RAVINDRANATH
PARTNER

Place : New Delhi
Date : 28.10.1992

ANNUAL REPORT FOR 1991-92

COMMON CAUSE has during the year of report continued to satisfactorily pursue its programmes and activities. It has had the privilege of receiving the full and wide appreciation from the people for the services rendered by it. We are deeply grateful to them for their kind words of appreciation.

Membership of the organisation has continued to grow, but there is always scope of wider expansion of membership and we convey our exhortation to the members to persuade their friends and acquaintances to enrol as members of the organisation.

During the year of report the organisation had the unique privilege of receiving a Special National Award given by the Government of India for outstanding performance in relation to Consumer Protection work. Award alongwith the price of Rs.40,000/- was given to the Director by the Prime Minister of India. We have also had the privilege of the work of the organisation and its Director appearing in various newspapers and journals of the country and we convey our deep gratitude for the appreciative remarks.

PROGRAMMES AND ACTIVITIES

PROPERTY TAX

Despite various efforts which have been made by COMMON CAUSE and also by other organisations and associations, it has not hitherto been possible to reach any satisfactory stage regarding the solution of the problem of levy of Property Tax in Delhi. The problems relating to Property Tax continue being encountered also in certain other urban centres, but the metropolis of Delhi has continued to show serious aberrations and distortions in the levy of this tax. There have been constant reports of rampant corruption, arising primarily from the discretions which are available to the assessing staff under the existing laws and procedures. The dissatisfaction and exasperation of the people is evident by the thousands of cases and appeals which have been filed in courts against the assessments.

During the year of report the matter was again taken to the Supreme Court from the platform of COMMON CAUSE. It was taken also to the Delhi High Court. The measures adopted by us did not bear satisfactory fruit and the courts have generally been of the view that the people should await the decisions by the Delhi Administration on the recommendations of the High Powered Committee which was set up two years ago. People have generally been expressing apprehensions that the acceptance of these recommendations will further aggravate the present problems of distortions and anomalies.

The matter has further got recently crystallised inasmuch as the Delhi Administration and the Govt. of India are reported to have prepared a Bill for submission to the Parliament for restructuring the basis of assessment of the Property Tax. On the initiative taken by COMMON CAUSE a Conference of the organisations and associations of houseowners of Delhi was recently called and a comprehensive Resolution passed in the Conference has since been transmitted to the Government of India, Delhi Administration, and the concerned municipal authorities.

MALFUNCTIONING OF BLOOD BANKS

A very important Writ Petition was filed in the Supreme Court from the platform of COMMON CAUSE, highlighting the inadequacies and malfunctioning of the Blood Banks in the country. Out of about 1100 Blood Banks presently operating, as many as about 600 are without licence; reliance is placed by them primarily on blood donation by professional donors and these often include beggars, invalids, drug addicts, persons suffering from malnutrition and infection. The total blood collected in the country is less than 50 percent of the aggregate requirements in the hospitals and other medical services. 85 percent of the blood collected is not presently tested against HIV/AIDS. These facts have been highlighted in our Writ Petition. The Supreme Court has taken serious notice of these shortcomings and inadequacies. Great importance has been attached by the Supreme Court to this case; it has been decided to hear it every week. On the suggestion of the Court, a comprehensive scheme for restructuring of the Blood Banks has been submitted from COMMON CAUSE; a scheme has also been submitted by the Govt. of India. Discussions have been held and further progress continues to be made.

PENSIONS OF MPS

We filed a Writ Petition in the Supreme Court challenging the pensions being given to the Members of Parliament. The specific provision of the Constitution was cited in support of this challenge. The Supreme Court forthwith directed the issue of Show Cause Notice to the Government. This Writ Petition was filed in November 1991. The excruciating procedures of the Supreme Court Registry have stood in the way of its being further brought up for hearing before the Judges. Repeatedly we have represented but the Registry has throughout taken the position that the Government has not yet appointed their Counsel for handling this case, and therefore the case cannot be submitted to the Judges for further hearing. This is a very unfortunate example of the procedural delays in the presentation of important cases before the Supreme Court. We continue to pursue this matter.

USE OF DISCRETIONARY QUOTAS BY MINISTERS

We have filed a Writ Petition in the Supreme Court challenging the decisions at the level of Ministers whereunder they use some discretionary powers to allot certain privileges and benefits in obvious disregard of the norms and procedures prescribed for such allotments. Specific instances have been cited in relation to allotment of petrol pumps, diesel outlets, kerosene oil depots, telephone connections and allotments of government accommodation. Lists of specific instances have since been submitted to the Supreme Court in compliance with the directions of the Court.

IMPLEMENTATION OF CONSUMER PROTECTION ACT

The Writ Petition filed by COMMON CAUSE in the Supreme Court on this subject has yielded very positive results. The extremely tardy pace of establishment of the District Forums under the Consumer Protection Act has been to a considerable extent overcome by the series of directions issued by the Supreme Court to the State Governments. The District Forums have started operating in most of the Districts; where the number of complaints is substantial, independent Forums have been established whereas in Districts where the number of complaints is small the work has been entrusted to the District Judges. Taking into account the various directions which have been issued to the State Governments the Supreme Court indicated about four months ago that they would now give the final orders on our Writ Petition. Unfortunately, the final order has not yet been forthcoming. Meanwhile, we have continued informing the President of the National Commission, Mr. Justice V.B. Eradi, about

the inadequate functioning of certain District Forums from where we received information to that effect. He has been requested by us to persuade the State Governments to rectify such inadequacies.

MISCELLANEOUS

Vast variety of problems of the people keep coming to us practically from all parts of the country. To the best of our capacity we have attended to these problems. We have repeatedly informed the people that it would not be possible for us to deal with their individual problems and that we can at best deal with the collective and common problems which are encountered by a large number of people and which involve decisions on policies.

We take this opportunity of the Annual Report to convey our grateful thanks to the members for providing support to the organisation, and to the people in general for displaying interest in our activities and for their words of appreciation of our dedicated efforts.

JOIN COMMON CAUSE AND TELL OTHERS TO JOIN

COMMON CAUSE is registered society. It has membership spread all over the country.

You can also become its member. For membership subscription, see below. Periodical "COMMON CAUSE" containing invaluable material goes free to members.

Governing Council of COMMON CAUSE has included persons of eminence such as a former Auditor General of India, Governor, Chief Secretary, Member of Central Board of Revenue, Director General Indian Institute of Foreign Trade, Major General Area Commander, Brigadier, Senior Advocate etc.

Its achievements include Supreme Court verdicts regarding extension of pensionary liberalisation benefits to all pre-1979 pensioners, family pension benefits to all pre-1964 pensioners, and restoration of pension commutation to all pensioners, these various benefits reaching over three million pensioners; straightening out of the excruciating problems of property tax through Supreme Court Judgement; developing conditions for abolition of estate duty; smoothing out the areas of income tax, wealth tax, gift tax through representations to the Finance Ministry; Delhi High Court verdict relating to excessive electricity charges based on defective and stopped meters; bringing about conditions which necessitated bifurcation of telephone department and postal department; initiating action in various areas of consumerism etc.

HELP: "COMMON CAUSE" TO HELP YOU. THIS IS A NON-PROFIT, NON-POLITICAL & VOLUNTARY ORGANISATION AND IS AT THE SERVICE OF THE PEOPLE FOR VENTILATING AND TAKING UP THEIR PROBLEMS. ASK FOR A COPY OF ITS PERIODICAL.

FOR TAKING MEMBERSHIP OF COMMON CAUSE SIMPLY SEND US YOUR NAME & ADDRESS LONG WITH MEMBERSHIP SUBSCRIPTION : (Rs.50 for Annual membership, Rs250 for Life membership and Rs1000 for annual membership for organisations and associations)

BALANCE SHEET AS AT 31ST MARCH 1992

LIABILITIES	AMOUNT (Rs.)	ASSETS	AMOUNT (Rs.)
Capital Fund Account		Cash in Hand	150
Life Membership Subscription		Cash at Bank	73,953
Opening Balance	3,25,251	Stamps in Hand	730
Add : Subscriptions received during the year	<u>45,425</u>	Fixed Deposits	
Corpus Fund		With Indian Bank,	2,17,402
Opening Balance	2,96,479	Shanti Niketan	
Add: Donation received during the year	<u>5,30,133</u>	With Steel Authority	3,98,000
Expenses Payable	34,981	India Ltd.	
		Interest accrued	6,15,402
		On Fixed Deposity	
		with Indian Bank	16,767
		On Fixed Deposits with SAIL	1,19,007
		Furniture	
		Opening Balance	5,377
		Less : Depreciation	<u>537</u>
			4,840
		Shed	
		Less: Depreciation	33,066
			<u>3,306</u>
		Cooler	
		Less: Depreciation	1,975
		Office Equipment	296
		Opening Balance	317
		Less: Depreciation	<u>48</u>
		Deficit Account	
		Opening Balance	17,427
		Add: Excess of	
		Expenditure over	
		Income per Income	
		& Exp. A/c attached	54,806
			<u>73,233</u>
			<u><u>9,35,790</u></u>
			<u><u>9,35,790</u></u>

REGISTERED UNDER THE SOCIETIES REGISTRATION ACT, 1860

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST MARCH 1992

EXPENDITURE	AMOUNT Rs.	INCOME	AMOUNT Rs.
Printing & Stationery (including printing & periodical)	1,20,966	Subscription from Members:	
Less: Recovery	<u>40,000</u>	- Ordinary	10,025
Newspapers, Books & Periodicals		- Associate	7,500
Part-time Staff Salary		Interest Received :	
Conveyance Expenses		- From SB A/c	3,031
Legal Expenses		- From Fixed Deposit with Bank	2,925
Bank Charges		- From SAIL	1,839
Postage & Telegrams		Interest Accrued :	
Professional Fee		- On Reinvestment Fixed	
Interest paid		Deposit with Bank	19,644
Office & telephone expenses		- On Fixed Deposit with SAIL	<u>60,810</u>
Miscellaneous Expenses		Miscellaneous Income	
Depreciation		Excess of Expenditure	
		Other Income	54,806
			<u>1,61,020</u>
			<u>1,61,020</u>

As per our report of even date

For RAO & RAVIDRANATH
Chartered Accountants

GOVIND NARAIN
president

H.D. SHOURIE
Director

A.V. RAVINDRANATH
Partner

BRIG. R.I.N. Luthra
Secretary

Maj. Gen. U.C. Dubey
Treasurer