

COMMON CAUSE

VOICE OF "COMMON CAUSE"

In this issue of "COMMON CAUSE" we have chosen to present a cross-section of the problems which are referred to us from time to time or which are taken up by us suo moto. Our objective in doing this is not merely to state what types of problems we keep pursuing, but to stimulate action on the part of other organisations and associations in all urban areas to pick up similar problems and take them to the concerned authorities for seeking redressal.

Unless such like problems affecting the urban middle classes are forcefully taken up and vigorously pursued, by leading deputations and holding discussions with the concerned functionaries where necessary, these problems will continue to plague us. People must assert themselves and tell the authorities that they cannot be taken for granted. The insensitivity and disregard evidenced by the government functionaries must be effectively countered.

It is of fundamental importance that each matter should be very thoroughly examined from every aspect, and a convincing and competent write-up should be prepared for communication to the authorities concerned on the subject. General, unsubstantiated complaints, based on incorrect data and facts, unconvincingly presented, would inevitably fail to produce results.

We would be happy to know about the problems taken up by the local associations and organisations and would deem it a privilege to lend a helping hand where

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|-----------------------------------|------------------------------|
| Efficiency of P & T | Problems of Small Industries |
| Problems of Electricity Consumers | CGHS Facilities |
| Land Prices in Delhi | Old-Age Pensions |
| Annual Report of Common Cause | Bank Nomination Facilities |
| Statement of Accounts | Anomaly of Gift Tax |
| Environmental Pollution | Interest on Loans |
| Noise Pollution | Income Tax Refunds |
| Registration of Flats | House Tax Assessment |
| Construction of Additional Storey | Draft Objection Letter |
| Manhole Covers | |

(All are welcome to reproduce anyl materia from this publication)

required. We request, therefore, that we should be kept informed about the matters which are taken up and the progress made in resolving them.

In this issue we have also incorporated, for the benefit of all members, the Annual Report of COMMON CAUSE and its Statement of Accounts for 1981-82. The Annual General Meeting will be held on Sunday the 19th September 1982 at 10-30 A.M. in the Vithalbai Patel House, Rafi Marg, New Delhi. Notice for members is printed in these Papers.

We were hoping that by the time of printing of this issue the judgement on our Pensions Writ Petition would have been announced by the Constitution Bench of the Supreme Court. This has not come about yet. We cannot surmise when the judgement will be pronounced, but can only hope that it will not be long delayed. Meanwhile in response to the Constitution Bench's query, the government has furnished information about the financial implication of the removal of discrimination caused by the 1979 pension liberalisation rules. In submitting this information, the government has made certain other submissions, including the various benefits given to the pensioners and certain additional arguments. In our reply we have countered these which, at this stage after the arguments were heard in court, are meaningless, and also the information about the other benefits given to the pensioners is irrelevant.

At long last the Parliament has passed the Estate Duty (Amendment) Act for which we have been pressing. The amendments made by it do not go far enough but they meet two major points, namely, the limit of Rs. 50,000 has been raised to Rs. 1,50,000 and one house or part thereof has been allowed to be valued on wealth tax basis for purposes of assessment of estate duty.

Towards Efficiency of Posts & Telegraphs

We have communicated certain suggestions to P & T. These are given below. P & T have promised to examine these for implementation.

STANDARDIZATION OF ENVELOPES—We have suggested that side by side with publicising the necessity and benefits of the use of Pin Code it would be desirable that initiative should be taken by P & T to secure some standardization of the envelopes in the interest of expediting and simplifying the sorting of mail. Standardized equipment for sorting out the mail cannot be utilised amidst the multiplicity of sizes of envelopes. It has been suggested that P & T, in consultation with an organisation like the Indian Standards Institution, should prescribe three or four sizes of envelopes for posting the letters, packets, magazines, etc., and these sizes should be widely publicised, taking the help also of the Chambers of Commerce, Associations of Industries, etc.

TIMING OF POSTING—At present nearly 2/3rd of the total number of letters posted during the day are

posted only during late evening hours, between 5. p. m. and 7-30 p. m., particularly in the metropolitan areas. This obviously imposes enormous strain on man in the sorting offices in late evenings, inevitably causing dislocation of work by uneven distribution of sorting load during the working day. We have suggested that P & T should undertake intensive campaign for educating the public that posting of letters should not be held over till the evenings and that it should be spread over the day as much as possible.

FRANKING MACHINES—Another matter on which P & T should take initiative is that of propagating the use of Franking Machines by companies, organisations, institutions and offices. By wider use of the Franking Machines, there can be saving on postage stamps, which are expensive to print, in their affixation and in the cancellation of postage stamps in the Post Offices. This saving will reduce the expenditure and improve efficiency. Where necessary, further facilities and

nducements should be provided by P & T to stimulate the procurement of Franking Machines by companies, organisations and offices.

CERTIFICATES OF INTEREST—People who invest in National Savings Certificates of P & T need certificates of interest for purposes of their income tax Returns, as for fixed deposits in banks. Normally, the Post offices do not issue such certificates and this causes considerable brotheration to the holders of certificates. This should be taken as a normal function of the Post offices and printed forms should be provided to them for the purpose. They should issue Certificates of interest on the same lines as the banks are doing when they are asked for such certificates.

ENCASHMENT OF NATIONAL CERTIFICATES—There is a serious lacuna in the matter of encashment of National Savings Certificates before the prescribed period of maturity. Unlike the banks, which have authority to allow encashment of fixed deposits before maturity, the encashment of National Savings Certificates, partularly during the prescribed non-encashment period, presents serious problems. No. authority vests even in the Post Master General to order encashment during the non-encashment period. Reference has to be made by the Post Master General to the Deputy Director General Savings, New Delhi, who in turn has to seek permission of the Finance Ministry. The money belongs to the depositor. He should have the option to secure encashment of the National Savings Certificates for meeting any unfor-

eseen requirements, and for that purpose there should be facility for the encashment, subject of course to deduction of interest on the lines on which similar withdrawal of deposits can be effected in the banks. We have suggested that P & T should examine this matter.

POSTAL SAVINGS BANK—We feel that benefits of the Postal Savings Bank are not well publicised, with the result that this facility is not as widely utilised as it should be. Now that the Postal Savings Accounts can be operated also with cheques, it is practically at par with the banks. while there is utility of higher rate interest and its exemption from income tax. We have suggested that P & T should examine how this facility can be further improved and widely publicised.

INSURANCE OF V. P. POST PARCELS—Under the existing provisions, all VP Post Parcels of value more than Rs. 100 have to be subjected to compulsory insurance in the Post Offices. A number of buyers in various parts of the country have to depend on the Postal VP Parcel System for securing their needs of medicines, books, seeds and certain other consumer goods. The present rates of Post parcels are already high; there has been a recent hike in the registration charges; therefore, the extra burden of Compulsory Insurance needs reconsideration in relation to the limit of Rs. 100 for VP Post Parcels. In view of the eroded value of the rupee, there is a general feeling that limit of Rs. 100 fixed for this purpose is very low and that it should be increased to about Rs. 300 or even Rs. 500. We have requested P & T to examine this matter.

Problems of Electricity Consumers

Among the increasing burdens on the urban residents are the problems of continuously mounting rates of electricity and the various irritants faced by the electricity consumers. In Deihi we have taken up the problems with the Delhi Electric Supply Uundertaking. These are other than the bigger issues of load shedding and voltage fluctuations which in themselves are problems of serious nature and in respect of which there has already been constant outcry. We have received some replies and explanations from DESU. We present these in the following Paragraphs to enable people and the organisations and associations to know about them and the explanations that DESU has offered in regard to them. It is

obviously desirable that these problems should continue to be followed up so that the pressure on DESU keeps building up for resolving these problems.

BILLING AND PAYMENTS—The billing methods and procedures of DESU have for long been unsatisfactory. Numerous complaints continue to be voiced by the people. There are delays and difficulties, arbitrary demands of arrears, long time uncertainties regarding amounts due and discriminations.

Normally the readings of meters should take place every month. The DESU meter readers conduct the reading of domestic consumers every two months. Often the readings are not taken at regular intervals and there is inordinate delay in the issue of bills.

Consumers have some times to pay for four months at a time. The delays cause the Undertaking financial loss, which would be running into crores. The situation has deteriorated rather than improved with the introduction of computerisation. The time lag has become longer and issue of bills has become more erratic. Greater regularity in readings, prompts preparation and despatch of bills, and ensuring regular and prompt payments is obviously to the advantage of DESU and would be welcomed by the consumers. A serious problem for the consumers is the receipt of sudden claims for arrears, with demands for immediate payment on the threat of disconnection of electric supply. In transmitting the demands for arrears, the reason is often not indicated, and the consumers have perforce to knock at the door of billing office to ascertain the cause of demand. There are cases where demands have been made for arrears on the alleged basis of some defective meter having been detected long after the relevant consumption period.

Correct maintenance of the meters, under the Indian Electricity Act, is the responsibility of DESU, and if a meter is found to be defective by the meter reader of DESU, it is his responsibility to bring it to the notice of the consumer. It is also provided in the Indian Electricity Act that no demand for a period of more than six months consumption of electricity can be made by the Undertaking. These requirement of law are disregarded in communicating the demands of arrears, and the consumers are forced to make payments.

On these matters DESU has stated that policy has been adopted for taking meter readings of industrial power consumers each month and those of domestic consumers every alternate month. It is claimed by DESU that the bills are issued in two to three weeks after the meter reading, though it is admitted that in certain areas bills for four months consumption have occasionally been sent. It is contended that by the introduction of computerisation the billing in certain areas has gone into arrears. The change-over to computerisation is also stated to be responsible for mistakes having crept in.

DESU also claims that when a meter is suspected to be defective and is later replaced by a new meter, the consumer is billed on the average consumption of the healthy meter. It is contended that the consumer is given opportunity to establish his claim against the assessment but "he cannot be allowed to benefit

simply on account of lapse/delay on the part of DESU in replacing the defective meter and/or sending the bill late for the defective meter". It is admitted by DESU that under the Indian Electricity act it is the responsibility of the Undertaking to keep the meter correct and in working order. Under sub-section (6) of Section 26 of the Indian Electricity Act, 1910, where any dispute arises whether any meter is or is not correct, the matter has to be decided by the officer designated as Electrical Inspector under the Act, and such officer is authorised to estimate the amount of the energy supplied to the consumer for a period not exceeding six months. However, DESU claims that "this provision as such does not enjoin the Undertaking to limit the claim to only six months". The legality of this claim will obviously be open to question in a court of law.

BOOKLETS OF METER READINGS—We had suggested that readings card/booklet should be hung alongside each meter and the readings should be recorded in it so that the consumers could refer to the record of readings for check and reference. DESU has explained that an experiment in this regard was made for providing a meter reading card hung alongside each meter, but "due to certain administrative reasons and the non-cooperation of the consumers" this could not be continued. No explanation has been given as to what administrative reasons stood in the way and how the non-cooperation on the part of the consumers was manifested.

PAYMENT OF BILLS—During 1980 DESU had made arrangement that the electricity bills could be paid at the counters of about 60 branches of the Banks in Delhi and New Delhi. This facility was extended in the interest of electricity consumer, Suddenly, without any notice or explanation to the consumers, the facility was withdrawn after about one year. The public outcry against the withdrawal of the facility has gone unheeded. This facility had been greatly welcomed by the consumers and its withdrawal is compelling them to go to the Zonal Offices of DESU and stand in queues for making the payments. Facilities for payment of nearly all kinds of government and quasi-government dues at banks and post offices have been extended by most departments. These include various taxes, e. g. income tax, wealth tax, gift tax, property taxes and even water supply charges of the Municipal Corporation.

The explanation offered by DESU is that the facility for payment of bills at the bank counters was

withdrawn on account of complaints of inclusion of arrears of paid amounts in the subsequent bills. Obviously, it is an administrative matter for DESU to sort out the procedural problems with the bank for ensuring proper posting of entries of receipts in order to obviate the difficulties of payment being repeated in subsequent bills. If such posting can be conveniently done in respect of the water charges of the Municipal Corporation, there is no reason why appropriate accounting procedures cannot be introduced in regard to electricity bills. In withdrawing this facility the interests of a million consumers have been contemptuously disregarded.

SECURITY DEPOSITS—The amount of security deposit for electricity consumers was substantially enhanced some months ago. The amount is now quite big. For all practical purposes it is a deposit in perpetuity, although it is supposed to be refundable. We pointed out to DESU that there is no reason why consumers should not be paid interest on this deposit as is allowed in the case of deposits in res-

pect of other utilities, since it constitutes only a security which helps to cover the risk of non-payment by the consumers, and is not supposed to be a revenue earning source. At normal bank rates, the security amount would double itself in six/seven years and become four times in less than 15 years. The consumers are penalised by the non-payment of interest on deposits.

In offering comments, DESU admits that the deposit is secured from every consumer as security against payment of his monthly bills and that the rates of deposit have increased over the past few years and were again revised in March, 1981. It has been stated by DESU that simple interest at the rate of 2½% is allowed to consumers for supply of electricity for industrial and commercial purposes only. There is no provision for payment of interest on security deposit to consumer of domestic category. No convincing reason has been given why no interest is being paid on deposits of domestic consumers, and why the meagre 2½% interest is being paid on deposits of industrial and commercial consumers.

LAND PRICES IN DELHI

A Committee has been set up by the Lt. Governor of Delhi for determining the factors which have led to the increase in land prices in Delhi and the measures which need to be taken in this connection. COMMON CAUSE was invited to present its views to the Committee. A Delegation of COMMON CAUSE met the Committee and presented its views. Following, in brief, are the views and suggestions which have been presented to the Committee.

LAND PRICES—The primary determinate of the escalation of land prices has been the inadequacy of supply as against the continuously mounting demand. The figures of unanticipated increase of Delhi population are a pointer to the steep increase in demand during the past many years. The factors which operated to restrict the supply of land included the following :

THE POLICY OF LAND DEVELOPMENT

- i) Notification for acquisition far exceeded the actual acquisition. The development fell very much short of the area notified for acquisition. This applies to land for residential as well as for commercial and industrial purposes.
- ii) The development of land has been very slow in comparison to the mounting demand. Main

cause for the slow development is the monopoly established in the hands of DDA and non-participation of other agencies in the land development process. Funds for development obviously got restricted to those which were forthcoming from the public sector.

- iii) The policy of disposal of developed land has also been a very important contributory factor to the shooting up of the prices. Auctions by DDA were conducted of developed plots in small bits, stimulating competition which eventually strangled larger development.
- iv) Statutory impediments have been a very serious factor. These include the Urban Land (Ceiling and Regulation) Act and the Rent Control Law. ULCR Act has, in particular, strangled all development and has served no useful purpose either. It has failed in yielding any vacant land for development in the interest of weaker sections. It has debarred transfer of plots even where no question of vacant land was involved.
- v) The concept of lease-hold land has itself proved a considerable impediment to rapid housing development. The restrictions flowing from the lease-hold basis, in respect of the transfer of plots and

the demand of 50% of unearned increase, have stood in the way of rapid development.

- vi) The combination of various factors has brought a situation where the return on housing has become inadequate in comparison to the return on alternative modes of investment. The middle class which previously constructed house for rent, is no longer interested in this activity,
- vii) Shortages of raw materials and the flow of black money in real estate have also contributed to the increase of land prices.

Results of Wrong Policies

- i) Prices and rents have increased enormously. Prices of land in Delhi have shot up 50 - 100 times the prices prevailing 20 years ago. Rents, likewise, have soared very high.
- ii) Virtual land hunger has got created. This is evident from the figures of registration done for allotment of houses through DDA.
- iii) The whole atmosphere has got vitiated involving corruption and black money in real estate.
- iv) Multiplication of unauthorised colonies all over Delhi, housing about 10 lakh people, is a most serious commentary on the policies pursued. Unscrupulous developers, encouraged by politicians, have brought about development of unauthorised colonies which will continue to be perpetual blots on the face of Delhi.
- v) Even cooperative societies could not succeed in getting allotments of land. It is only in the recent months that this problem has started being tackled.
- vi) The existing housing stock has been greatly deteriorating. This is attributable directly to the Rent Control Laws.

REMEDIES The most important requirement, and the only way, is to improve availability of developed land for housing as well as commercial and industrial purposes. The entire area of this development needs priority attention of the government.

- i) Public sector should restrict itself only to development of housing for the weaker sections. The more affluent sections of the populations should be left to fend for themselves. The Five Year Plans have been exhorting that the role of public sector should be restricted to marginal and promotional areas in the housing programmes. This exhortation should be rigorously implemented.
- ii) The entire policy of land acquisition should be re-oriented to avoid unnecessary freezing of land

and to ensure prompt payment of compensation on acquisition of the land.

- iii) The scheme of development of satellite towns should be expeditiously and concretely conceptualised and implemented. The project of National Capital Region should also be expeditiously taken forward in consultation with the concerned States.
- iv) The role of DDA in the programmes of housing development should be clearly defined. It should primarily be a monitoring and planning body.
- v) The process of land acquisition will obviously have to be in the hands of the government. The external infrastructural development should be the responsibility of public sector, for which the requisite funds can be charged from the areas under development. Internal development and construction, in colonies other than for weaker sections, should be made the responsibility of cooperative and private sectors.
- vi) Funds for housing development will be adequately forthcoming from the private sources. The procurement of such funds should be encouraged.
- vii) There should be a positive policy of involvement of cooperatives and private agencies, on the requisite scale, for meeting this enormous problem. Suitable enactments can be made to regulate the operation of private agencies and the colonisers.
- viii) Measures should be adopted for stopping speculation. It should be ensured that only one plot/house is allotted or purchased by an individual and his dependents.
- ix) The statutory impediments should be immediately examined for removal of the provisions which inhibit land development and housing programmes.
- x) Detailed studies should be made for encouraging incentives and removing disincentives in relation to housing programmes.
- xi) The entire concept of lease-hold should be re-examined in the light of experience of recent years. In any case, there is need for reconsideration of the provision made for mopping up 50% of the unearned increase, which has led to concealment and tax avoidance.
- xii) Wherever possible, one additional storey should be allowed to be constructed in the colonies for enabling slightly larger population density.

NOTICE

ALL MEMBERS OF COMMON CAUSE

The Annual General Meeting of COMMON CAUSE Society will be held on Sunday the 19th September 1982 at Vithalbai Patel House, Rafi Marg, New Delhi, at 10,30 A. M. All Members are welcome to this meeting. Agenda will be as follows :

- i) Consideration of the Annual Report and adoption of Annual Accounts along with Auditors Report for the year 1981-1982.
- ii) Appointment of Auditors for the year 1982-83
- iii) Activities and programmes.

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 of the meeting the quorum is not present, the meeting shall stand adjourned for the same day and be held after another half hour, and the members present in the adjourned meeting shall form the quorum of that meeting.

P. D. TAYAL
SECRETARY
COMMON CAUSE

ANNUAL REPORT 1981 - 82

In its second year of operations COMMON CAUSE derives further satisfaction from having been able to stimulate group and local initiatives for taking up problems of the middle classes. Increasingly larger number of associations, societies, and organisations have emerged which are seeking to deal with their common grievances in civic and other matters. This is a very healthy development. We are gratified by these associations and organisations seeking affiliation with COMMON CAUSE.

Services of COMMON CAUSE have continued to expand, so has its membership. More areas continue being added to the activities. Membership has substantially expanded and is increasingly penetrating various parts of the county. Existing members have taken on themselves the task of carrying the message of COMMON CAUSE to their friends and acquaintances, and have thereby helped to expand the base of the organisation. The support of members has enabled us to reach out effectively in the new areas of services.

Among the varied activities, a few have taken more time and effort of the organisation. These are briefly outlined below :

HOUSE TAX : The muddle of house tax of Delhi, which constitutes a pointer to similar problems in other cities, has continued to attract considerable attention. Efforts of COMMON CAUSE have succeeded in generating a wide-spread consciousness among the house owners of their rights and of the need to bestir themselves for seeking redress against wrong impositions. Over 20,000 objections were filed by the Delhi homeowners against the assessments for 1982-83. A large number of cases and

writs have been filed by individuals, associations and societies for seeking remedy through courts against the vagaries of the executive. A writ was filed by COMMON CAUSE in the Delhi High Court as a start. The Petitions Committee of the Parliament has published its Report on the Petition on this subject submitted by COMMON CAUSE.

1982 BUDGET : As in the previous years, detailed recommendations in a comprehensive memorandum were submitted to the Finance Minister for the 1982 Budget. These were also widely publicised for developing public pressures for their consideration by the Government. We have satisfaction that quite a few of these recommendations found their way of acceptance in the Budget. These include matters such as income tax standard deduction, leave encashment, concessions for self-occupied house property, rental deduction from income for tax assessment, deductions on long term saving of insurance and provident fund, increase of exemption limits on income from investments, problems of tax deduction at source, increase in the value of conveyance for wealth tax exemption, and certain concessions relating to capital gains. Additional problems have continued to be taken up with the Ministry of Finance and the Central Board of Direct Taxes. One matter which has been causing deep concern to the people is that of the serious imposition of Estate Duty in the context of enormous increase of property values resulting from eroded value of the rupee. This matter has continued to be vigorously pursued by COMMON CAUSE. On our initiative taken through the media, thousands of letters were addressed to the Prime Minister by people all over the country, expressing

concern at the excruciating delay caused in the amendment of the Estate Duty Act for removing the main stings of its imposition. The Government has now brought about amendment of the Act giving retrospective effect to the amendment from 1st April, 1982. This is a distinct gain, but we feel that there is need of continuously pursuing this matter for removal of the unreasonable features of this imposition and particularly for enhancement of the monetary exemption limits provided in the existing Act.

HOUSING PROBLEMS : Arising from detailed studies of the urban housing problems, COMMON CAUSE has continued taking up with the concerned authorities various matters relating to the steep increase in urban land prices, impediments in the expansion of housing construction caused by the enactments of Urban Land (Ceiling and Regulation) Act and the Rent Control measures, and the adverse affects of monopoly created in the hands of public sector organisations in relation to the development of land and large-scale construction of houses. There is now evidence of recognition of the gravity of these problems in the Government circles and measures are afoot to tackle it.

PROBLEMS OF PENSIONERS : Our writ on pensions, affecting the interests of more than a million central government pensioners, was heard by the Division Bench of the Supreme Court in November 1981. Recognising the importance of constitutional law involved in it, the Division Bench referred it to the Constitution Bench of the Supreme Court. The five-member Constitution Bench, presided over by the Chief Justice of India, heard the arguments on three days during the latter half of April 1982, and have reserved judgement, which we hope will be announced in the coming weeks. Meanwhile COMMON CAUSE has made its further written submission in reply to the additional propositions and submissions made on behalf of the government after the completion of arguments. In addition to this Writ, we have continued to take up with the government certain other important problems of the pensioners, including the delays in payment of Dearness Relief (which have been considerably obviated by the steps taken by the government), consideration of the need of improvement of the problems of family pension scheme, and restoration of pension commutation on attainment of 70 years age, etc.

ESTATE DUTY : We have been vigorously pursuing with the Government of India the need of amendment of the Estate Duty Act in the light of high escalation of the values of property and the need of revising the exemption limits provided in the Act in view of the eroded value of the rupee. The Petition

submitted by COMMON CAUSE to the Petitions Committee of Lok Sabha was forwarded by it to the government. The Government has since decided to amend the Act, and give retrospective effect to it from the date the announcement of proposed amendment was made by the then Finance Minister in his Budget speech in February 1981.

OTHER MATTERS : Numerous other problems have from time to time been taken up by COMMON CAUSE with the concerned authorities. They include : problems of telephones and excessive bills, problems of transport and traffic, noise pollution, unauthorised construction of flats in residential colonies, excessive water charges from professionals, LIC loans for construction of rural housing, mode of repayment of house building loans, permission for construction of second storey and third story in certain colonies, doctors' clinics in residential areas, uncovered manholes, expediting judicial processes, nominations for bank accounts, HUF position regarding capital again leave encashment entitlements retrospective effect, payment procedure of old age pensions, dividend on shares/debentures, interest rates modification of compulsory deposit scheme, problems of ex-servicemen security guards in industrial premises etc.

The petition on the matter of HOUSE TAX of Delhi Municipal Corporation submitted by COMMON CAUSE to the Petitions Committee of the Lok Sabha featured in the Report submitted by the Petitions Committee in which they have made recommendations somewhat on the lines suggested by COMMON CAUSE. The other Petition submitted by us to the Petitions Committee of Lok Sabha on the differential rates of House Tax in the areas of Delhi Municipal Corporation and New Delhi Municipal Committee is yet under the consideration of the Committee.

The Estimates Committee of Parliament called for views of COMMON CAUSE on the important matters connected with Wealth Tax, Gift Tax and Estate Duty. The views in a detailed memorandum were submitted. Likewise, the Parliament Committee attached to the Ministry of Health asked for our views on matters relating to the operation of Central Government Health Scheme. The views in detail were submitted, and representatives on behalf of COMMON CAUSE appeared before the Committee.

The "COMMON CAUSE" periodical of the organisation has been brought out. The first issue was brought out in February, and the second in April, 1982. Copies of these issues were widely circulated to the members as well as to Members of Parliament and others. The periodical constitutes an effective vehicle for disseminating information and moulding opinion on matters affecting the middle classes.

AUDITOR'S REPORT

I have audited the attached Balance Sheet of Common Cause as at 31st March, 1982 and the annexed Income and Expenditure Account of the Society for the year ended on that date which are in agreement with the books of account maintained by the Society.

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

- i) In the case of the balance sheet of the state of affairs of the Society as at 31st March, 1982 and
- ii) in the case of the income and expenditure account. the excess of income over expenditure for the year ended on that date.

Place : New Delhi

Date : July, 19-7-1932

A. S. R. Gopal Rao

Gopal Rao & Co.,

Chartered Accountants

Balance Sheet as at 31st March, 1982

<u>LIABILITIES</u>				<u>ASSETS</u>	<u>Rs.</u>
<u>CAPITAL FUND ACCOUNT</u>				<u>CASH AT BANK</u>	
<u>Life Membership Subscription</u>				In S. B. A/c with Scheduled Bank	16,903.50
	<u>Rs.</u>	<u>Rs.</u>		Stemps in hand	237.65
Opening Balance 1.4.81	11,200.00			<u>FIXED DEPOSITS</u>	
Add : Subscription received during the year :	26,030.00			With Indian Bank, Shanti Niketan, New Delhi.	40,000.00
	<u>37,230.00</u>			INTEREST ACCRUED BUT NOT DUE	1,152.97
Amount transfered from surplus A/c.	<u>12,000.00</u>	49,230.00			
<u>SURPLUS ACCOUNT</u>					
<u>Excess of Income over Expenditure</u>					
Opening Balance 1.4.81	13,082.64				
Less : Amount transferred to Capital Fund A/c.	12,000.00				
	<u>1,082.64</u>				
Add : Excess of Income over Expenditure as per annexed Income & Expenditure A/c.	<u>6,162.96</u>	7,245.60			
LIABILITIES FOR EXPENSES					<u>58,294.12</u>
		<u>1,818.52</u>			
		<u>58,294.12</u>			

AS PER OUR REPORT OF EVEN DATE

Place : New Delhi
Date : 19-7-1982

A. S. R. GOPAL RAO
GOPAL RAO & CO.
Chartered Accountants

S. RANGANATHAN
President

H. D. SHOURIE
Director

P: D. TAYAL
Secretary

U. C. DUBEY
Treasurer

Income and Expenditure Account for the Year Ended 31st March, 1982

<u>EXPENDITURE</u>	<u>Rs.</u>	<u>INCOME</u>	<u>Rs.</u>
Printing & Stationary	9,877.91	<u>Subscription from Members</u>	
Duplicating charges	1,904.69	Ordinary : Rs. 8,965.00	
Postage expenses	4,078.80	Associate : Rs. <u>12,900.00</u>	21,865.00
Part-time staff	9,025.00	Donations received	15,351.80
Other establishment expenses	1,390.00	<u>Interest received</u>	
Conveyance expenses	3,680.00	From Savings Bank A/c Rs. 743.81	
Hire of auditorium	150.00	From Fixed Deposits	
Honorarium to Auditors	500.00	with Bank <u>Rs. 500.00</u>	1,243.81
Legal expenses	2,400.00	Interest accrued but not due	1,152.97
Books & Periodicals subscription	167.97		
Bank charges	171.85		
Sundry expenses	104.00		
Excess of Income over Expenditure transferred to Balance Sheet	6,162.96		
Total Rs.	<u>39,613.58</u>	Total Rs.	<u>39,613.58</u>

NOTE :- Subscriptions from Ordinary and Associate Members have been accounted on cash basis

AS PER OUR REPORT OF EVEN DATE

Place : New Delhi

A. S. R. GOPAL RAO
GOPAL RAO & CO.
Chartered Accountants

S. RANGANATHAN
President

H. D. SHOURIE
Director

Dated : July, 19, 1982

P. D. TAYAL
Secretary

U. C. DUBEY
Treasurer

ENVIRONMENTAL POLLUTION

Cases of serious environmental pollution are increasingly being voiced by the people in various parts of the country. In Delhi we took up with the Delhi Electric Supply Undertaking the continuing menace of columns of smoke belching from the tall chimneys of Electric Works at Indraprastha Estate. This nuisance has been continuing for years. For miles around the chimneys, and particularly in the wind direction, the smoke nuisance is proving detrimental to the greenery and the people. DESU have explained to us details of steps which are being taken by them for rectifying this problem including the installation of electro static precipitators which involve considerable lot of expenditure.

In a magazine recently we came across two notable instances of environmental pollution. One is the smoke nuisance caused by the chimneys of Thermal Plant at Bhatinda in Punjab. It is reported that the city of Bhatinda lies under a blanket of smoke, and

the fly ash emanating from the chimneys of the Thermal plant coats every surface and is proving a health hazard. An anti-pollution committee has been formed by the citizens and they have inter alia petitioned to the Governor. It is stated that the installation of precipitators in this Plant will cost about Rs. 10 crores.

The second instance is of the discharge of about 500,000 litres of organic and 100,000 litres of inorganic effluent daily by two chemical industrial units at Ratlam in north-west Madhya Pradesh. One of these units is a state government undertaking. Years of litigation have failed to remedy the situation.

COMMON CAUSE has asked for details and further information in respect of these two instances of environmental pollution at Bhatinda and Ratlam. On receipt of the information we will examine whether it would be feasible to take the matter to appropriate court.

NOISE POLLUTION

On the matter of curbing the menace of shrill automobile horns we made a reference to the traffic police authorities that they should consider ways and means of overcoming this nuisance. We simultaneously took up this matter with the Indian Standards Institution for determining whether, in the light of experience of other countries, any standards had been laid down in respect of the manufacture of automobile horns which would take care of this grave menace. The Indian Standards Institution have informed us that standards in respect of the automobile horns have already been prescribed by them. After ascertaining the names of the manufacturers of automobile electric horns, we enquired from them whether they were aware of the prescribed standards and whether their manufactures were within the prescribed range. We have been informed that only two major manufacturers of the electric horns are abiding by the stan-

dard prescribed by the ISI. The standards lay down the parameters of maximum and minimum sound level in decibels, maximum and minimum frequency of vibration of the horn diaphragm and the maximum current that the electric horn should draw. It is generally recognised that most of the horn manufacturers in the country design their horns for loudness more than the maximum stipulated in the specifications and the current draw of these horns is also well beyond the maximum permissible. It is obviously desirable that the standards prescribed by ISI should be enforced on the manufacturers and they should be compelled by law to stamp on the cartons the information including maximum loudness of the horns, maximum frequency of the horns and maximum current that the horn would consume. We have taken up this matter also with traffic police.

REGISTRATION OF FLATS

COMMON CAUSE has been receiving complaints that Income Tax authorities are not accepting the residential and commercial flats of the multi-storey buildings and DDA colonies of Delhi as "property" for treating the income from them as "income from property" on the ground that the ownership of the flats does not yet vest in the buyers through registered deeds. The problem of vesting ownership of the flats, particularly where they are in buildings on lease-hold land, has been hanging fire for many years. It has got entangled in the levy of commercialisation charges of the land and in relation to the non-registration of cooperative societies of the flat owners. The matter of levy of commercialisation charges has been going the rounds of higher courts for quite a few years, and there is no solution of this problem yet in sight.

There are over 25,000 flat owners of multi-sto-

reyed buildings of Delhi affected by this problem. They include the owners of commercial flats as well as residential flats, besides a very large number of DDA flats. In the absence of their flats being treated as "property" by the Income Tax Department, they are dis-entitled to deductions such as for repairs, which are allowable for income from property, and the income from these flats is being treated as "income from other sources" which is manifestly unfair. Similar problems are arising in respect of the valuation of flats for the purposes of wealth tax.

We have taken up this matter with the Ministry of Finance and the Ministry of Works and Housing. We now understand that the Government of India has decided to bring in legislation for giving ownership title of flats to their owners. It is likely that in this matter the pattern of Maharashtra legislation relating to the transfer of ownership to the flat-owners will be followed.

Manhole Covers

It is most unfortunate that cast-iron manhole covers on the roads, service lanes and public parks etc. continue to be stolen, rendering the openings very dangerous for pedestrians as well as traffic. Serious accidents have often been caused by the uncovered openings. On complaints being received by COMMON CAUSE, we took up this matter with the Delhi Municipal Corporation as well as New Delhi Municipal Committee and suggested that as an alternative to the cast iron covers, which are prone to be stolen, possibility should be explored of using covers made of reinforced concrete suitably designed for renewal and replacement. This suggestion has been welcomed by the Municipal Corporation of Delhi. We have been informed that the MCD has already started manufacturing RCC manhole covers. This remedy may not be feasible in the case of light manhole rectangular covers where the thickness of the cover is small and RCC covers of such thickness cannot be manufactured and would not be structurally safe. The NDMC has intimated that the provision of RCC manhole covers may not be feasible on busy roads since they do not last long under the heavy weight of vehicular traffic. However, they are providing manhole covers of RCC in service lanes/roads where vehicular traffic is light.

Construction of Additional Storey

Housing problem in the urban areas has become very acute. This has got compounded by the skyrocketing land prices and enormous increase of rents. There has been a strong feeling that in localities where the infrastructural facilities can stand some additional pressure, permission should be given for the construction of additional storey in relaxation of the restrictions hitherto imposed on such construction. In a number of colonies in Delhi, for instance, the restriction hitherto has been on construction of 2½ storeys. The permission for construction of an additional storey will greatly help to mitigate the growing acuteness of the housing problem. Where, in certain localities, the population density has necessitated the prescription of restriction of construction upto 1½ storeys, we have taken up this matter with the concerned authorities and we have been informed that it is under consideration of the Delhi Development Authority and indications are that the proposal would be acceptable.

Problems Of Small Industries

On representations received by COMMON CAUSE in regard to certain problems of allotment of factory sheds to the small industries of Delhi, we have taken up these problems with Delhi Administration and Directorate of Industries. Where factory sheds have been allotted by the Administration, difficulties are being experienced by the allottees in securing sanction for inclusion of any partner in the lease-hold/hire-purchase agreement executed by the allottees with the Administration. At certain stages in the development and operation of enterprises, either by passage of time or for unavoidable financial and management reasons, it becomes absolutely necessary to secure inclusion of names of partners in the lease-hold rights/hire-purchase allotment agreements. It is understood that in permitting the inclusion of names of partners, even of immediate relatives, the DDA/Directorate of Industries insist on charging premium of 50 percent on the basis of pre-determined rates. We have stated that this is unjustifiable and exorbitant charge which

tends to inhibit the development and expansion of the enterprises by imposing on them such a charge which makes it extremely difficult to secure the association of a partner for financial assistance etc. Likewise, where for reasons of expansion or financial inadequacy etc. it becomes indispensable for a proprietorship or partnership allottee/lessee to secure the association of financial and management strength into the enterprise by converting into a private limited company, the DDA/Directorate of Industries ask for similar payment of 50 percent un-earned increase in the price of land which in the present context of high land prices disables the small unit from securing the strength of partnership. There has also been a demand from the small industries that where due to circumstances not originally anticipated, a selected item of industrial production has to be altered, modified or added to, the Directorate of Industries should not adopt rigidity in permitting the change because such rigidity would be contrary to the objective of increase of industrial production.

C. G. H. S. Facilities

COMMON CAUSE received invitation from the Parliamentary Committee attached to the Ministry of Health to state its views on various points relating to CGHS facilities for improving its functioning. Detailed and comprehensive replies were sent by us to the questionnaire sent by the Committee, and thereafter a delegation consisting of our representatives appeared before the Committee and presented our views. The views inter alia included the placement of dispensaries, more effective utilisation of the doctors and equipment, problems relating to medicines, doctor-patient relationship etc.

CGHS Facilities For Pensioners

COMMON CAUSE has represented to the Ministry of Health, Government of India, that at stations where CGHS facilities do not exist, and in some areas of certain towns where it has not been possible to find suitable accommodation and make requi-

sits arrangements for setting up CGHS facilities, the beneficiaries be entitled to claim reimbursement of expenditure incurred on the medical requirements. Where at any stations the CGHS or corresponding medical facilities exist for provision of medical care for central government personnel, such as the Survey of India personnel at Dehra Dun or Railway personnel at certain places or even for state government employees, efforts should be made to explore the possibility of utilising such facilities for extending them also to the pensioners, by employing additional doctors and by staggering the utilisation of the accommodation and equipment for extending the facilities also to pensioners. We have received a letter from the Ministry of Health stating that the suggestions put forth by us, in particular the matter of reimbursement of expenditure to the pensioners, is under consideration of the Government of India.

Old Age Pensions

Certain difficulties experienced by the old age pensioners have been brought to the notice of COMMON CAUSE. At Delhi these pensioners are required to report personally at the office of the Director of Social Welfare, Delhi Administration, at Kingsway Camp, for collection of the pension. Evidently, the intention behind this procedure is to avoid the possibility of impersonation. Old persons, however, have to visit this office from distant places for collection of the pension.

COMMON CAUSE took up this matter with the Directorate of Social Welfare suggesting that the procedure should be so streamlined that these old pensioners donot have to come from long distances. We suggested that possibility should be examined of arranging the payment through the nearest applicable post offices; the payment can be made in the presence of Post Master to avoid impersonation. The Director of Social Welfare has agreed to examine this suggestion with a view to obviating the difficulties experienced by these pensioners.

Bank Nomination Facilities For Pensioners

A number of organisations of pensioners have been representing that there should be a provision for allowing nomination facilities to pensioners in the maintenance of their savings/current bank accounts for anabling the nominee to claim the credit in the bank account on demise of the pensioner. We have represented this matter to the Government of India. It appears that this demand has been accepted in principle and that requisite provision is proposed to be made on amendment of the Banking Regulations Act. Pending the requisite enactment, we have suggested that the possibility of issuing executive instructions should be explored for enabling the banks to extend nomination facilities to the pensioners for meeting this requirement,

THE ANOMALY OF GIFT TAX

We have written to the Central Board of Direct Taxes pointing out an apparent anomaly in the existing provisions of Gift Tax. If an amount is gifted by a parent to a minor son or daughter and is placed in deposit for earning interest, the income accruing from the interest as well as the amount placed in deposit are clubbed to the income and wealth of the donor parent. If the amount is spent there is no problem, but if it is saved it becomes a cause for further imposition on the parent even though the Gift Tax is paid on the gift. If the gift is made to a major son or daughter, there is no problem. If it is made to any other person, then too there is no problem. But, where a parent wishes to put by some money for the higher education or marriage of the son or daughter, he is penalised. This hurts primarily the middle class people who attempt to save a few thousand rupees

for their children.

We have suggested that where a gift is placed in fixed deposit in a scheduled bank with the explicit stipulation that the FDR will mature only after the attaining of majority of a child, the income accruing on it from interest, as well as the amount so gifted (on payment of Gift Tax or within the exemption limit) should not be clubbed with the income and wealth of the donor parent. Neither the income accruing on the fixed deposit, nor the amount of deposit, would be available to the donor parent, and it is appropriate that he should not continue to be burdened with these. Of course, if at any stage till the attainment of majority of the child, the fixed deposit is encashed the entire income and deposit amount should be taken into account during the year when the fixed deposit is encashed.

Interest on Loans Against Fixed Deposits

The scheduled banks extend loans against fixed deposits to the extent of 75% of the deposit. The stipulation throughout has been that an interest of two percent over and above the interest paid on the deposit by the bank would be charged on the loan advanced. It has come to our notice that the banks have in fact been charging interest at nearly three percent over and above the interest paid on the deposit. We took up this matter with the Ministry of Finance, Government of India, and were referred to the Reserve Bank of India. We are still pursuing this matter with the Reserve Bank of India. Our contention is that the stipulation of charging two percent over and above the interest payable on the deposit is a contract between the bank and the loanee and that it cannot be unilaterally altered at the discretion of the bank even though the bank may be acting under the instructions of the Reserve Bank of India in regard to the fixation of interest rates.

Income Tax Refunds

We have received complaints from various quarters that there are enormous delays in the authorisation of refunds by the Income Tax Department where they become due on assessment, and that normally no interest is being paid on the delayed refunds. This matter has been also taken up by the Estimates Committee of the Parliament in its 7th Report wherein they have recommended that the Government should enquire into the phenomenon of non-payment of interest on delayed refunds. We have urged that in all cases where refund is due it is incumbent on the Department that regular assessment should be completed without delay, or at least provisional assessment should be completed within the prescribed period, and where assessment has been completed the refund order should be sent along with the Notice of Demand. In practice this is rarely done. It has been brought to our notice that in Bombay alone about one lakh refunds were pending at the close of the year and interest on delayed refunds is almost never given.

Delhi House Tax Assessment

The Delhi Municipal Corporation has, this year, flouted all previous precedents and issued a public notice, which was published in the newspapers of 13th August, '82, informing the people that the assessment lists for 1983-84 can be inspected in its zonal offices and that objections against the assessments should be submitted before the 20th September '82. The public notice has previously always appeared in about the month of November, inviting objections by the 31st December. This time the MCD has taken the houseowners by surprise and issued the notice now. This has been ostensibly done to pre-empt any difficulties arising from the Judgement of the Supreme Court which has been reserved on a number of writ petitions which were heard on the 27th July '82.

It is unfortunate that MCD has resorted to this strategem. The 20,000 objections filed against the

assessments for 1982-83 have not yet been disposed of. Orders on the objections have not yet been communicated. Copies of orders in individual cases have yet to be supplied. We understand that even the registers embodying the assessment lists for 1983-84 are not yet ready for inspection.

We have, however, requested houseowners of Delhi, through press note, to take immediate steps to inspect the assessment lists to determine their assessments and to file objections, because if the objections are not filed before 20th September '82, the opportunity for challenging the assessments for 1983-84 will be lost. We have informed them that we will supply draft letter for filing the objections on their asking for it.

For the convenience of members in Delhi we publish the public notice issued by MCD, and our draft letter for filing the objections Overleaf.

DRAFT OBJECTION LETTER

To,
The Zonal Assistant Commissioner
Municipal Corporation of Delhi
.....Zone Delhi/New Delhi.

Sub : General Objection regarding 1983-84
Assessment of Rateable Value pertaining
to Premises No.....
belonging to.....

Dear Sir,

Kindly refer to the Public Notice dated 9 Aug. 82, published in the newspapers on the 13 Aug. 82, regarding assessment list of Rateable Value for the year 1983-84 in respect of buildings in Delhi/New Delhi issued by the Municipal Corporation of Delhi, The proposed Rateable Value relating to the above-mentioned property is illegal, ultra-vires and contrary to facts, and as such this assessment is not acceptable.

According to the judgment of Supreme Court dated 20 Dec. 79 in the well known case of Diwan Daulat Rai Kapur & others versus NDMC & others, and subsequent judicial decisions laying down the principles for fixation of Rateable Value of premises, the R. V. of a property is to be fixed on the basis of its standard rent as per the formula contained in S. 6 of Delhi Rent Control Act.

My property consists.....storeys. It was constructed inphases. Its construction commenced onand it was completed/occupied on.....In support of these facts I enclose my affidavit dated..... The aggregate amount of the cost of construction and the market value of the plot of land on the date of commencement of construction was Rs. as will be evident from the enclosed copy of the VALUATION REPORT of a government approved Valuer.

The property is at present occupied as under :

- (i) Ground Floor ; (Self occupied/rented)
- (ii) First Floor
- (iii) Second Floor.....

The other relevant details about the tenants etc. are already with the MCD. If any additional information is required, it will be furnished.

I have not made any addition/alteration in the house since its completion.

It is requested that the R. V. of my property may kindly be fixed in accordance with the criterion laid down by the supreme Court and Judicial authorities.

If any other information/document is required by your office for the proper disposal of my case, I may kindly be intimated to me so that the same may be furnished before the date of hearing of my objection. If no reply is received from your office within one month from the date of filing this objection, it will be presumed that you do not need any further information/document for the settlement of my case according to law.

My case for enhancement of R. V. under S.126 of the Delhi Municipal Corporation Act is pending in your office. The present objection may kindly be taken into consideration while deciding that case also.

It is requested that I may kindly be given a personal hearing before disposal of my objection.

Yours faithfully,

.....
Owner of House/Property No.....
Address.....
.....
.....

- Encls : (i) Affidavit
(ii) Valuation Report.

Kindly note that it is fundamentally important to enclose copy of the VALUATION REPORT which should contain detailed information about the price of land on the date of commencement of construction plus the cost of construction of the respective phases of construction) and an affidavit showing the date of commencement of construction and the date of completion/occupation.

The portions not relevant to any particular property should be deleted/ modified where necessary.

The objection should be preferably given personally in the Zonal Office of MCD and receipt should be secured on its copy.

Copy of the MCD public Notice is being separately supplied with these papers.

Associations and organisations are requested to immediately prepare cyclostyled copies of this Draft letter and supply to their members.

Printed Matter