

should not become barriers to it. The *Maneka Gandhi* principle, as enunciated by the Indian Supreme Court, that fundamental rights do not constitute separate islands unto themselves but constitute a continent ushered in what *Krishna Iyer, J.*, terms the jurisprudence of access to justice. He said:

“We should expand the jurisprudence of Access to Justice as an integral part of Social Justice and examine the constitutionalism of Court-fee levy as a facet of human rights highlighted in our Nation’s Constitution. If the State itself should travesty this basic principle, in the teeth of Articles 14 and 39A, where an indigent widow is involved, a second look at its

policy is overdue. The Court must give the benefit of doubt against levy of a price to enter the temple of justice until one day the whole issue of the validity of profit-making through sale of civil justice, disguised as Court-fee is fully reviewed by this Court”.

The author feel that the working awareness of the law makes possible the impossible to happen *i.e.*, the purpose and objective will be served only with the public opinion and by creating public awareness about the law and its objectives. The recent example of withdrawal of the Marriage Laws Amendment Bill as it was against the public opinion and will.

A LAYMAN IDEA OF MONEY LAUNDERING – IS IT WASHING MONEY BLACK TO WHITE ?

By

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If a survey is conducted in our country asking the people whether literates or illiterates, what is Money Laundering ?, the immediate question is from them is, it washing money black to while ? May be his/her ignorance is the answer for the question appreciable for his/her sense of humour and ignorance.

The general guesses from most people would be that it must be something related to drying, washing or may be dry cleaning of the currency notes. This is rather the human tendency about the world’s very big crime. To some extent correct but layman don’t know much of this world’s third largest industry. As per IMF reports the turnover of his industry could be somewhere around \$1.5 trillion. However common man does not pay attention because primarily it seems

to be a victimless crime. It has none of the issues associated with a vanishing of the money from economy or performance of the Government or organizations involved in the same and yet, money laundering can only take place after a predicate crime (such as a drug trafficking or the stock market frauds) has taken place. If the person on the street is the banker he might throw the three letters “KYC” to express his knowledge.

Money laundering is the process by which large amount of illegally obtained money (from drug trafficking, terrorist activity or other serious crimes) is given the appearance of having originated from a legitimate source.

But in simple terms it is the conversion of black money into white money. This

takes you back to cleaning the huge piles of cash. Indian newspapers frequently report the money laundering scams perpetrated by the political leaders and some of the prominent stars are the Chief Ministers of various States as reports of media is showing and printing. They are using some innovative techniques to launder the money by avoiding the tax in legitimate manner. They are saying that they have accepted donations from persons who were road side heroes. When CBI raided these guys were found in no position to donate huge sums for political motives.

Now-a-days it has become the order of the day for the corporates AND politicians to be involved in money laundering. Other Indian star in the laundering business is *Ketan Parekh*. It is believe that he shifted the proceeds of money received from the pay order scam to various tax heavens and ultimately in the Swiss Banks. These transactions are believed to be just the tip of the iceberg.

The most common types of criminals who need to launder money are drug traffickers, embezzlers, corrupt politicians and public officials, mobsters terrorists. Drug traffickers are in serious need of good laundering systems because they deal almost exclusively in cash, which causes all sorts of logistics problems. Not only does cash draw the attention of law-enforcement officials, but it is also really heavy. The basic money laundering process has three steps :

1. **Placement** – At this stage, the launderer inserts the dirty money into a legitimate financial institution. This is often in the form of cash bank deposits. This is the riskiest stage of the laundering process because large amounts of cash are pretty conspicuous, and banks are required to report high-value transactions.

2. **Layering** – Layering involves sending the money through various financial

transactions to change its form and make it difficult to follow. Layering may consist of several bank-to-bank transfers, wire transfers between different accounts in different names in different countries, making deposits and withdrawals to continually vary the amount of money in the accounts, changing the money's currency, and purchasing high-value items (boats, houses, cars, diamonds) to change the form of the money. This is the most complex step in any laundering scheme, and it is all about making the original dirty money as hard to trace as possible.

3. **Integration** – At the integration stage, the money re-enters the mainstream economy in legitimate-looking form – it appears to come from a legal transaction. This may involve a final bank transfer into the account of a local business in which the launderer is “investing” in exchange for a cut of the profits, the sale of a yacht bought during the layering stage or the purchase of a \$10 million screwdriver from a company owned by the launderer. At this point, the criminal can use the money without getting caught. It is very difficult to catch a launderer during the integration stage if there is no documentation during the previous stages.

If done successfully, it allows the criminals to maintain control over their proceeds and ultimately to provide a legitimate cover for their source of income. Money laundering plays a fundamental role in facilitating the ambitions of the drug trafficker, the terrorist, the organised criminal, the insider dealer, the tax evader as well as the many others, who are at the helm of the politics, Indian politicians are not an exception who need to avoid the kind of attention from the authorities that sudden wealth brings from illegal activities. By engaging in this type of activity it is hoped to place the proceeds beyond the reach of any asset forfeiture laws.

To prevent money laundering, the Parliament of India has introduced the Prevention of Money Laundering Bill on the

October 29th, 1999 and assented by the President of India and has become the Prevention of Money Laundering Act, 2002 on 17th January, 2003 and came into force from July 1st, 2005. Despite of the legislation to prevent money laundering, it was hardly successful in the prevention of money laundering in India. The Enforcement Directorate booking the cases but in reality

the corrupt politicians and the bureaucrats are not allowing the law come into reality. There needs a change in the mind set of the Government and the authorities as well. Creating awareness among the public is a necessity that money laundering allows the corporates and politicians in diverting the people's money beyond India and bringing back as "Clean money".

SOCIAL RESPONSIBILITY OF BUSINESS – THE NEED OF THE HOUR AND NEED TO THE SOCIETY

By

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Companies need to answer to two aspects of their operations. 1. The quality of their management – both in terms of people and processes (the inner circle). 2. The nature of, and quantity of their impact on society in the various areas.

Companies, on matter what shape or size, have a considerable social, environmental and economic impact on the communities in which they operate. Yet in today's highly competitive economy the importance of ensuring 'positive impact' can be crucial to both corporate reputation and business success. Today many companies are placing greater emphasis on the role that they can play as 'responsible corporate citizens' and have begun to accept and understand the importance of adopting a social, ethical and environmentally responsible approach to business activity. By recognising their wider responsibilities, many companies now accept that they are responsible and accountable a wide range of stakeholders—including business partners, employees, customers, suppliers and community groups – not just shareholders.

Different organisations have framed different definitions – although there is considerable common ground between them. My own definition is that *CSR is about how companies manage the business processes to produce an overall positive impact on society.*

Corporate social responsibility embraces the totality of this approach. The discipline has grown rapidly over the recent years and has developed into a wide ranging practice which permeates all levels of business activity – having an effect on corporate governance, employee relations, supply chain and customer relationships, environmental management, community involvement as well as key business operation. Corporate social responsibility has become an important part of the mainstream business practice and is beginning to have a significant impact on how companies operate.

Arguments for Social Responsibility of Business

1. Public needs have changed, leading to changed expectations. Business received its charter from society and