

# COMMON CAUSE

## VOICE OF "COMMON CAUSE"

### SCAM OF Rs. ONE HUNDRED THOUSAND CRORES, AND MORE

Over the last many years we have heard and talked about scams - Bofors, Submarines, Fodder, Stock market, UTI and others. These have involved hundreds of crores of rupees. None of these has yet reached the stage of finding any satisfactory finale. Meanwhile, there has emerged another huge fraud and scam, of which people have not yet become wholly aware. It has so far remained under the umbrella of technical terms.

In terms of money value this fraud is obviously the biggest. It involves the amount of over **rupees one hundred thousand crores**. This figure is not easy to comprehend. If we put it in zeros the aggregate amount is of over Rs. 1,000,000,000,000. It looks incredible that this is what the country is faced with.

This big shock to the economy of the country has been caused by indiscriminate sanction of loans and advances

to business and industry by private and public sector banks and also financial institutions like IDBI, ICICI and IFCI. The problem has arisen because of their failure to exercise effective supervision, and also their utter laxity in effecting recovery; there has been lack of stringent rules and regulations for effecting recovery which has now increasingly become irretrievable casualty. These unrecovered loans have now been conveniently given the euphemistic appellation of having become Non-Performing Assets (NPAs), holding out a belief as though these unpaid loans and advances are still recoverable and that these are still assets but that they are presently Non-Performing. Developments over the last few years are actually indicative of the fact that these loans have mostly become unrecoverable and may eventually have to be written off.

The aggregate amount of NPAs at the end of 1997 was officially stated to be Rs. 43,577 crores; with inclusion of interest accruing thereon the figure would have been almost twice this figure but attempts continue to be made by the Ministry of Finance and the Reserve Bank of India to play down the actual figure. With the passage of time this amount has further increased, and now the figure officially admitted is Rs. 61,416 crores. With inclusion of interest the aggregate amount recoverable from these loans

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- \* Membership fee for individuals is Rs.100 for one year; Rs.500 for life membership for individuals; Rs. 200 for annual membership of organisations and associations. Send by crossed cheque in favour of COMMON CAUSE.
- \* We receive numerous letters. Replies are invariably sent. On the average our receipt is about 20/30 letters every day. Kindly, therefore, write only when you must; letters received in local language present us difficulties in deciphering.
- \* Donations to COMMON CAUSE are eligible for exemption available under Section 80-G of the Income Tax Act. Your donations, and those of your friends, will be most welcome indeed.

and advances is definitely over Rs. 120,000 crores. It is worth notice and a matter of serious concern that in the list of defaulting companies the NPAs are stated to be the largest in the portfolio of State Bank of India, comprising about 1/3rd of the aggregate amount.

This whopping scam has arisen because of the policy adopted by the Central Government in 1980's to encourage the banks to liberally advance loans to the "needy and weaker sections" which were named as priority sector. In addition to looking after the requirement of this priority sector the banks continued to be encouraged to assist the medium and large industries as well as wholesale trade.

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| <ul style="list-style-type: none"> <li>* A BIG NEW SCAM</li> <li>* LAW &amp; JUSTICE</li> <li>* FUNCTIONING OF OUR DEMOCRACY</li> </ul> | <ul style="list-style-type: none"> <li>* FUNDING OF POLITICAL PARTIES</li> <li>* COUNTERFEIT PRODUCTS AND SPURT IN DRUG PRICES</li> </ul> |
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It is the duty and responsibility of the banks to carry out business of safeguarding bank funds, to ensure utilisation of surplus funds judiciously, and to earn reasonable return on the investments for the benefit of their depositors. It is obligatory for them to ensure that loans and advances granted by them are recovered along with the interest, on schedule and in full. They carry the fundamental duty of ensuring that they continue to exercise precautionary measures to eliminate scope and possibility of any defaults in conducting this business.

It is now clear beyond doubt that all attempts to effect recovery of the outstanding loans appear to have been inadequate and ineffective. At best the cases have been referred to the Board of Industrial & Financial Reconstruction (BIFR) and Debt Recovery Tribunals (DRT), with inadequate results. Arising from inadequacy of any effective results the NPAs can now actually be equated to bad and doubtful assets, mostly defaults. Quantum of NPAs as percentage of total advances is obviously one of the critical indicators to the equity of bank's loan portfolio and hence its overall health. Assessed on the basis of the volume of gross NPAs, financial health of these banks cannot be called sound. They merrily carry these NPAs in their books to match profits, making their balance sheets look more respectable. Banks are trustees of depositors and they cannot resort to these tactics where they bloat profits, relying on advances and loans which in fact have become largely irrecoverable.

Detailed analysis of the advanced loans shows that large amounts of loans advanced to big business houses become unrecoverable because these influential borrowers are aware of lack of any stringent recovery mechanism and also due to political and official patronage enjoyed by them. Such defaulters have been able to secure large-scale monetary concessions, write-offs, waivers, reduction in rate of interests, etc. Banks have been only too willing to accede to their pleas for these concessions because recovery through legal process is a long drawn affair, and secondly because banks find it difficult to resist the pressure of powerful interests. Banks have in fact been making attempts to conceal the correct magnitude of NPAs by resorting to financial jugglery, avoiding to show amount of principal and interest separately in the accounts. They have also been writing-off large amounts as bad debts. During the last two years they are reported to have written off more than Rs. 4000 crores as bad debt.

It is accepted by experts that ratio of NPAs to total advances should be brought down to 5% to ensure profitable and healthy functioning of banks. The facts, however, indicate an alarming picture. The NPAs of SBI alone amount to over 56% of the net worth of the bank. In the Bank of Baroda it is 74% and in Punjab National Bank as much as 107%. These figures are indicative of how NPAs actually pose a potential threat to the viability of the banks because if this extent of NPAs are written off the bulk of concerned Bank's own capital would inevitably disappear. There has been tendency to avoid divulging the names of loanee companies and the extent of outstanding amounts against them. RBI has itself been keeping the list of corporate defaulters as top secret, with the result that the defaulter companies continue to seek benefits of more loans from other banks.

It has been possible to secure a publication which has recently been brought out, ultimately by RBI. It contains the names of companies, loans they have taken and the names of the banks. This list is apparently not complete and self-contained. However, a glance through it shows that there are 3,348 names of companies from which the payment of loans ranging upto Rs 10 crores each is due; these loans have been advanced by 19 Nationalised Banks, the State Bank of India, seven Associates of SBI, 28 private sector banks, and even 23 branches of foreign banks, besides the three known financial institutions, Industrial Credit and Investment Corporation of India (ICICI), Industrial Development Bank of India (IDBI) and Industrial Finance Corporation of India\* (IFCI).

Other than this scam of NPAs there is also the astounding foul-play which during the last few years has been perpetrated on the people of the country. This relates to the enormous and rapid growth of Non-Banking Finance Companies (NBFCs) which now number over 30,000 and which over these years have defrauded about two crores of unsuspecting investors by holding out alluring terms of returns to them on their investments, which often are their life-time savings. The aggregate amount collected by these NBFCs totals tens of thousands of crores of rupees. Large number of these NBFCs, after collecting the investments, have just locked up their premises and disappeared. RBI has brought about regulations for registration of NBFCs, without which they cannot secure any investment from the people, but apparently this action is now too late, as severe damage has already been done. This too is nothing short of a scam.

The country has thus witnessed in the last few years the occurrence of these huge scams which have affected the economy and large number of people. Established banks of public and private sector, and even branches of foreign banks operating in the country, have liberally played havoc with funds of the people, bowing to the pressures and influences of big business and politicians, and advancing loans which have now been conveniently dubbed as Non-Performing Assets (NPAs), and unscrupulous elements among the financiers have set up NBFCs which have robbed the people of their hard earned money and disappeared. It is a matter of very serious concern that while politics in the country are befouling the atmosphere, financial institutions on which people have reposed faith, have also defrauded them.



## BE JUST TO JUSTICE

Justice J. L. Gupta\*

JUSTICE is the first promise that the Constitution makes to the people of this country. Have we kept it? If not, why?

Just enter a jail. The undertrials are languishing for years. The condemned prisoners lie condemned in small cells. Leading an inhuman existence. Waiting for the decision. Their cases remain pending for years. The convicts sometimes complete the period of sentence before the appeals are even taken up for hearing. The civil disputes move at a snail's pace. The cases just do not finish. The delays are back breaking.

Then go to the court complex. In any city, in any state. Walk into the courtroom of a civil judge or a magistrate. You will mostly see a dark and dingy room. No electricity. Badly furnished. The judge has a small table. He shares it with his Reader or steno. The room is crowded. There are lawyers, litigants, witnesses and others. Including the self-appointed watchdogs of judicial impartiality. The judge has a towel in one hand and the file in the other. He is feeling suffocated. Yet he continues without complaining. From morning to evening. Day after day. Dealing daily with an average of fifty or more cases.

Should the judge not get a proper room? Should there not be adequate light? Should there not be a fan to circulate the air? Should he not have a proper steno to take down the dictation? Would it not improve the efficiency if the old typewriter was replaced by a word processor? I have no doubt about the answer. But please see the reality. It is there for everyone to see. A majority of our judicial officers are serving in wholly unsatisfactory conditions. They are not getting even basic facilities that are so essential for the discharge of daily duties.

It is acknowledged that lawyers are officers of the court. They are an essential part of the justice delivery system. They are needed for decisions on disputes. Yet, hardly any facilities are provided for them. They sit in improvised temporary structures. Under hot tin roofs in summer. Face cold winds in winter. It is said that they earn. Yes! Not all. Not the beginners. And those who earn pay the taxes. But what does the society give them in return? They have to pay for everything even in a government hospital. Why are they treated so differently from all those who get their pay packets from the state? Or the landlords who pay no taxes and yet get subsidies?

And the poor litigant has no place in the whole system. He does not get even a decent cover over his head in courts. He moves from pillar to post till the case is decided.

Why? What are the causes? These are many. To name a few: the intricate laws of procedure. The large number of cases that are filed in courts every year. The inadequate number of officers. The vacancies remaining vacant for years. Lack of basic facilities. Poor infrastructure. What to talk of books, even ordinary items of stationery are not available in some places. The work conditions for the officers, especially at the level of subordinate courts, are pathetic. Society is not doing justice to the justice delivery system.

The Budget is an annual exercise. We have a new budget every year. And every time, the Finance Minister presents the proposals, he does no justice to the department of justice. The first promise in the constitution gets almost the last place in the budget. The common excuse is paucity of funds. Lack of resources. We are a poor country.

Is it really so? Are we really a poor country? Or is it that the majority of the people are poor either for their own fault or for the sins of others?

We have a large area. Almost ten times the size of Japan. All the natural resources. The rivers and mountains. The mines and minerals. And above all, a billion pairs of hands. If these are the riches of a country, Japan is far behind us. Yet, a sizeable number of our people go to sleep without food. Despite the thousands of tonnes lying in godowns. They do not have a roof over the head. Or clothes to cover their nudity. No medical facilities. No schools. We face the curse of poverty. We are nowhere near Japan. We have not been able to keep our promise of social and economic justice. The few in power are flourishing at the cost of millions who are condemned to starve. Why? Is it because we do not work? Because we have not developed a work culture?

\* Judge, Punjab and Haryana High Court



Yes! It may be so. A visit to various parts of the country shows that despite all the resources - the mines and minerals, the people continue to be poor. Despite the availability of all the irrigation facilities, they do not sow a second crop. Ironically, we have learnt to live with poverty. It appears to have become a popular way of life. A way to get something without doing anything.

And the pity is, we sometimes give to those who do not work. We give concessions. Jobs. Even subsidies. And all else. Resultantly, there is no incentive to work hard. To produce more wealth and less children.

These may be the causes for the chaos that we face. Irrespective of that, we spend money on everything. On colleges, schools and hospitals. On buildings and equipment. On army, On bombs and bombers. On guns and gunners. We provide money for everything under the sun. Even for wholly unproductive foreign trips. Why not for courts? If the number of posts in every organisation can increase, why not in courts?

It is true that education is important. Literacy is essential for the country's progress. It is a national imperative. It is also correct that the national borders have to be guarded against the foreign enemies. Without doubt. At all costs. At all times. But is internal peace not equally important? Can we ensure national or even international peace without individual's freedom? Is not a citizen's liberty required to be protected and preserved with the same zeal as the integrity of the nation? How can the Fundamental Rights guaranteed under the Constitution become a reality in the absence of an effective and efficient dispute redressal system? Do we not need to do something in his behalf too?

Justice is a natural sentiment with man. Its virtue is universally accepted and acknowledged. It is indisputably the first principle of good governance. No people can be free and happy if they are not just. Justice is an absolute necessity in a civil society. It holds civilised beings together. Even civilised nations. Man does not live by bread alone. He is always hungry for justice. Thus, the need to do justice to the justice department. It is necessity. Not a mere option.

It is true that an extra hospital will not remove the disease. Another school shall not obliterate illiteracy. Similarly, an additional judge in a city court will not be able to clear all the arrears. It is also correct that certain inbuilt faults exist in the system. An incompetent counsel can prolong the proceedings. Equally, a competent lawyer can delay the decision even more. All this apart, we cannot find excuses and ignore the issue.

We must recognise the need to streamline the system. To change the archaic laws. To fulfil the basic and essential needs. To provide more courts and judges. Also the essential staff. Proper conditions for discharging the onerous duty of deciding disputes. So that we may fulfil the promise that our Constitution-makers made to the people of India: to do justice between man and man.

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## BARRIERS IN JUSTICE

How come that our country of Himalayan poverty deprives its people the access to justice by heavy court-fee, expensive legal and para-legal services and litigative incidentals, while the Constitution is sensitive to social justice and compassionate to the weaker sections? A few judges and some Government keep talking and hiking of legal aid to the poor and many judges cock a snook at this sentimental nonsense and believe in the myth of scary court-fee and fewer people coming to courts to make an ideal society in this land of injustice. How, in the home of Gandhi, is the court system so over-centralised that the Supreme Court and even the High Courts are 'untouchable' and 'unapproachable' for sheer logistic, linguistic, monetary, procedural and other reasons? Why this profound mistrust of the people that participative justice and decentralised adalats are anathematic? Why are we callous to reform the obese and obsolete pyramid whose functional success in most cases is to make litigants tantalizingly feud for decades and, at the end, render both equally bankrupt? How has this horrendous phenomenon of unconsciounable incarceration of undertrials, tens of thousands in most States, escaped attention of a System mandated to do social justice? How have our prisons, despite almost every minister since Freedom having suffered baptismal imprisonment, continue to be animal farms with zoological practices like bar fetters, solitary cells and allergy to humane strategies? Why, in Gandhian India, are sentencing provisions and practices sadistic and retributive, judges and administrators dismissing as mawkish muck therapeutic and corrective alternatives?

When do we hope to modernize, humanize and democratize our legal system and tune it up to Third World conditions? Cases taking thirty years in civil and criminal courts before final justice is delivered are



shamefully common. Court procedures, colonial and anomalous, flourish callously with none so poor as to shed a tear for reform. Arguments stretch so long, papers heap so heavy and judges too are in no hurry and are file-fed. To get a copy of a decree may take a year, to dispose of a petition for certificate to appeal may take a year or two, to post a petition for special leave to appeal may take two years sometimes; why, to post a stay petition, where an ad interim order has paralysed an urgent community project, a whole university examination or public service selection or promotion or imperative criminal investigation or trial, even a nationally momentous legislation, may take a heartless year or more, and, without surprise, a death sentence may haunt the head of a solitary-cell tenant, with confirmation, reference and appeal to the Supreme Court, for a few years. Civil suits instituted by one generation are executed by the next, without a judicial eye-brow being raised. Has hibernation become our litigative second nature? Fatalism has fatally stung our System into comatose repose.

- Justice V.R. Krishna Iyer in  
Justice and Beyond

ON CHRISTMAS EVE, a Christian mother who lives in Mumbai received a long distance call from her daughter in Atlanta, USA. Barely had she started talking when her grand-daughter, Anjali, six, came on the line to list the gifts she wanted. The mother could hear her daughter repeatedly saying "Anjali, that's enough".

Then Anjali snapped back, "Mama, stop interrupting me. Don't you know this call costs a lot of money?"

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MAID : "WHAT do you want, sir?"

Visitor: "I want to see your master".

Maid: "What's your business, please?"

Visitor: "There is a bill....."

Maid: "Ah: He left yesterday for his village..."

Visitor : "Which I have to pay him..."

Maid: "And he returned this morning."

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SINCE HER husband's job required him to rise extremely early, she didn't feel it necessary to drag herself out of bed each morning, especially since she had three small children to care for all day. Quite often one or more of the little ones would crawl into bed with her.

One morning, she awakened to the shrill ring of the phone. Half-asleep, she picked it up. "Hello", she muttered groggily.

"Has Ashok left for work yet?" It was her husband's boss.

"I'll check", she answered, still not awake. "Someone's in bed with me. Let me see if it's him".

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TWO FRIENDS were having lunch at a cafe. They noticed a man sitting alone at an adjoining table. When the waitress approached him, they overheard her ask, "Are you waiting to be joined by a tall, thin woman with long, blonde hair?"

He answered, "In the larger scheme of life, yes. But today I'm meeting my wife."

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AFTER EXTENSIVE tests the person was told that his hearing was well above average. The technician was curious to know why anyone with perfect hearing would undergo these procedures.

"Well", replied he sheepishly, "my wife sent me because she claims I never hear a word she says."

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A WOMAN who went to the police station to report her husband missing, described him as "29 years old, 190 centimeters tall, fit and handsome."

"I know your husband", pointed out the desk sergeant. "He's 48, short and overweight".

"Sure he is", the woman answered. "But who wants him back?"

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## OUR DEMOCRACY

Functioning of our democracy is causing all sorts of problems and apprehensions. Proliferation of political parties, their methods of funds collection, behaviour of elected representatives in the Parliament and some local legislatures, frequent adjournments of the sessions which entail waste of precious time of the legislatures as well as of enormous waste of money; these various aspects of the functioning of our democracy cause grave concern.

These issues and concerns were presented in a recent article of the Director of COMMON CAUSE in the Times of India. As usual, at the end of each article of COMMON CAUSE it is recorded that comments and suggestions can be sent by the readers to our address. In relation to this article also we have received a large number of letters, from various parts of the country. In these letters the readers have expressed at length their frustrations and anguish on the various aspects of the functioning of our democracy. We have considered it appropriate to publish in this issue, few of these letters, after abridgement where possible, along with the article itself, in the hope that a glance through these will be of interest to readers of the periodical.

### FUNCTIONING OF INDIAN DEMOCRACY CAUSE OF DISMAY

Our Indian democracy is functioning for over five decades. But the way it's functioning causes dismay and unpalatable forebodings. Our politicians and multiplicity of political parties project a poor image. Most of them give the impression of being impelled by personal interest and greed, amassing wealth and influence they can exercise in the society.

Multiplicity of political parties is a special phenomenon. As many as 540 political parties thus presently stand registered with the Election Commission, with allotment of election symbols. Out of these 56 political parties are at present recognised for participating in elections. Coalitions and collaborations have, therefore, become the natural practice. At the Centre the present coalition, which runs the government is of 17 different parties, their representatives have been accommodated in the Cabinet, with the result that there are presently as many as 70 ministers, with portfolios which are inevitably fragmented. In the states, excepting in a few, the position is not much different. In Uttar Pradesh the cabinet has the astounding number of 94 ministers. We in this country thus present a glaring contrast to the long standing democracies of countries like UK and USA where the political parties are three and two respectively in their Parliaments.

The working of parliament and state legislatures leaves much to be desired for proper democratic functioning. Normally there should be debates and decisions. But our legislators often demonstrate the ugly features of uproar, shouting and marching into well of the House, paralysing its functioning, forcing frequent adjournments. There were those ugly scenes in the Uttar Pradesh Legislature where tables and microphones were hurled from both sides and TV had captured the scenes of some members seeking shelter from the missiles by crouching under the tables.

People should know what these absurdities in the legislatures cost the nation. Calculations have been made about the expenditure which is incurred on the Parliament including both houses. These calculations have been made from the budget provisions of the Parliament. Every minute of the functioning of Parliament costs Rs. 17,000/- which calculates to about Rs. 10.00 lakhs per hour and Rs. 75.00 lakhs per day. Amidst the din and uproar when the House is adjourned for the day the country loses as much as Rs. 75.00 lakhs. This does not include the expenditure incurred on the residences provided to the Members and fleet of cars provided to ministers. Country has to bear the annual expenditure of Rs. 200 crore for running the two houses of Parliament.

Amidst all the din, obstructions and uproars during the functioning of Parliament work inevitably languishes and suffers. Bills formulated for enactment of legislations on various important issues remain pending and requisite decisions are not taken and laws not passed. Presently there are as many as 70 bills pending before the two Houses of Parliament. Often the proposed legislations are passed on to the Joint Parliamentary Committees for examination and report and they continue being tossed around there. There is the well known legislation, affecting hundreds of thousands of house owners and tenants of Delhi which was passed as an Act seven years ago but its enforcement



was thwarted by interested parties. This is the spectacle which Parliament presents to the nation taking into account the fact that there are 28 States and Union Territories and that their task is also primarily the enactment of laws for proper governance of the country.

Coming to our States and UTs it needs to be pointed out that during the past few years there has been in evidence a tendency to carve out smaller states wherever possible because this provides the politicians opportunities of aggrandisement, grabbing power and exercise influence in the society. They do not, excepting for a few give impression for having joined politics for serving the causes of people and helping them to improve their living conditions.

Nearly a thousand of them out of the total of about 5000 who adorn the benches of legislatures are exercising authority and power as ministers. It is gathered that about 400 of the legislators have criminal record. While legislators in general enjoy the entitlement of salaries, allowances, pensions, housing, rail journeys, air journeys, medical facilities etc. the ministers have additional privileges of cars individually allotted to them and security staff who guard their residences and their movements and of course the powers of the decision making in the government. They exercise total authority over the services, ordering them about approving or disapproving the proposals emanating from persons who have spent their life time in dealing with administrative matters, often causing embarrassments because of the absence of any administrative or legal experience.

Provision of Constituency Development Fund for MPs which is ostensibly now being attempted also in some states is another cause of adverse criticism by the people. Previously this allotment was of the amount of Rs. 1.00 crore for each MP to help the legislator take initiatives for determining and getting development projects executed in his constituency. It was envisaged that allotment of such fund would help in carrying out projects for improving living conditions of people in the constituency projects being of the nature of digging wells, building village roads, constructing schools buildings, improving sanitation conditions etc. Unfortunately, in the execution of this scheme all sorts of complaints have been received of misutilisation of funds, non-execution of projects and occasionally also of funds lapsing. Democracy is precious for our country. Nation must safeguard against democracy being hijacked by such manifestations of politicians which inevitably cause dismay.

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### SOME OF THE LETTERS RECEIVED FROM READERS OF ARTICLE

"Certainly Indian democracy and freedom has become a cause for concern for welfare of the Nation. In India democracy and freedom is misused with a selfish motive, and it has become, so to say, a mobocracy. We see many a time damage caused to Assembly Halls and Parliament Halls only to win over an argument. There is no respect for man-made Law and Order. Laws are made only to be broken by the Legislators and ministers.

India has 540 political parties and so we find selfish communalism. Politics must never enter into religion and vice versa. The politicians encourage celebration of festivals with an eye on Vote Bank. In the USA and the UK there are only two or three political parties. Although the parties practise secularism all people are allowed to preach and practise spirituality as an individual. There is equal respect for all irrespective of people of any creed, colour, caste or community who can live peacefully without any fear of any discrimination. And that is the reason why America is the richest democratic country in the world where secularism is respected by all. Religion is always a personal matter. The Election Commission must register and recognise politicians with no criminal background. And they must have a good college education at least. In India political parties have become centres for easy self-employment. Once elected most of the politicians are for money and wealth. The voters are mere spectators. In foreign countries protest rallies are held and the government or the political party has to correct themselves. The politician must be recalled by the electorate. We see scams after scams and the cancer of corruption from the top to the bottom. And people easily take the example from MLAs and MPs and Ministers, saying, "If they can be crooks, why not we do the same"?

Bureaucracy has to be purged. Time has now come for all God's people to practice spiritually in their lives, the way to happiness. The Constituency Development Fund is misused and the projects for welfare of villages and cities are not carried out faithfully. What we see today is chaos and confusion. There are so much black money and



corruption. In one estimate the total amount of wealth in foreign bank accounts of politicians only is nothing less than US \$100 billion. Who will save the country? Only God knows that."

Eugene Dias Andheri (W), Mumbai.

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"Your analysis of the present political leadership of our country is heart touching and virtually it expresses the anguish and helplessness of each and every educated and right thinking person. What is happening these days in Lok Sabha, Rajya Sabha, followed by Gunda Raj being unleashed by political foes in Chennai and U.P is so shameful and condemnable. Watching the scenes as shown on TV makes one feel as if there is already a 'Total Collapse' of governance in the country and things are just drifting without anybody's control. I do not know if any of the political leader of our country has time to read and assimilate your heart searching articles. Let your effort not go waste. I dare to suggest that such articles should be translated in Hindi and other Regional languages and distributed to each and every minister (both central and provincial), M.P., MLA, corporator etc with the request to deliberate the points raised there-in. It will be unfortunate if present situation is allowed to drift further.

At my age of 73 years when I have seen the best and worst days of our country's people, I get so much emotionally hurt that 'tears' come to my eyes. People are dying of hunger, malnutrition, adulterated food, adulterated medicines. Each and every person to-day wants to grab and snatch easy money and for that he or she does not mind sacrificing his or her fellow country men, women and children. It is time that this type of approach is stopped and for that we do have several "right thinking" leaders in our great country who can set things right. Any number of medicines will not help at this stage, what is needed is a 'surgical operation"

M.K. Shukla Belapur, New Bombay.

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"I read with interest the write up on 'Functioning of Indian Democracy'. Why grieve over it and be dismayed? What we have here is 'modified democracy' not democracy. We have yet to see democracy. If rule of law characterizes democracy, then how can we describe ourselves as a democracy? Going by empirical evidence, law for us means only law-making. Land reforms, child labour laws, pollution laws, all tell the same story. As for criminals, everyone goes gatecrashing except small ones who only get caught in the spider's web. If the logic from the world of finance or banking were to be applied, then we should be ignoring these small accounts and instead should be concentrating on the really worthwhile ones. Woe betide anyone who dares to do that. If you are in politics, you get thrown out, you are never elected again and if you are in paid services, you get branded as tactless and get shunted. One can find satisfaction in one's efforts and in fact, can keep trying, as many are indeed doing but it is not going to make a difference to the system, at least for the present. Let us accept that we are a 'modified democracy' like some others are 'controlled' or 'guided' democracies. We gleefully describe them as such and gloat over our self-styled largest democracy status

Leaving quite aside the questions of corruption and criminalization which remain as another egg and chicken controversy, we are a modified democracy as it works as per the notesheet orders of the Ministers and Chief Minister rather than through well-considered files. Our State cabinets take decision frequently without cabinet precis being presented. Recently, there is news in the papers that a precis has been moved even without the concerned minister's consent in a state. Our states with massive populations have such an overwhelming clout in the Houses of Parliament that states with least populations tend to get almost ignored. Governments are acting more and more as per convenience and the balance of pulls and pressures rather than on considerations of equity. Cavalier response of the governments is that aggrieved parties can go to court. Courts do set aside unfair orders but what about the need to generate respect for state and the loss of time and money?"

Dharmendra Nath, IAS (Retd) , Bhopal

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"Please permit me to convey my thanks and gratitude for bringing out the bare truth, facts and figures before the public in maintaining the white elephants of the so-called democratic set up and wastage of the hard earned money of the people in the name of Democracy. In a country where majority of the people are living below poverty line such heavy expenditure in running the Parliament for no work cannot be justified. The members have made the



parliament a platform for party propaganda instead of devoting time to legislative matters. It is sad that even the Chairman and the Speaker of both the Houses instead of taking action against the erring members take easiest course of adjourning the house and thereby abetting the wastage of expenditure in running the House. The media has failed to perform its duty by not bringing these facts before the public to enlighten them. The Common Cause must take up the cudgels to enlighten the public to compel the members to perform their rightful and legal duties.

Furthermore, I shall like you to take up the issues before the committee constituted to suggest reforms and amendments in the Constitution for initiating provisions to remove the fallacies of Democracy. Placing of administrative officers under the direct control of elected persons is creating hurdles in the successful administration as the officer concerned is supposed to work under the direction of the elected person rather than according to the legal norms. The administrative officers must act according to the principles laid down by the Govt. rather than the particular persons. The size of the cabinet must be regulated. It should not be the sole discretion of the PM and the CM to constitute a cabinet to justify their stay in the Govt. by making every member supporting him to be a minister. This is insult to Democracy. No one should be allowed to spend the government money to satisfy one's whims. In 50 years many points have come to light and there must be provision to remove these shortcomings. "

M.P Gupta, Ballia (U .P .)

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"You deserve congratulations for the lucid description of the Indian Democracy which has become very costly and proceeds with a snail's speed. The politicians and their followers are responsible for this sorry state of affairs. The description of dismay of democracy, however, misses the consequent effects on the people of India. The Constitution of India says that the sovereignty rests with the people, but the fact is that it has centered around few of the ruling politicians and bureaucrats. The common people suffer their tyranny and the resultant agony in various ways. Politicians, specially of the ruling party , never bother to find out the cause for the present day sorry state of affairs. If they honestly search for the guilt, it will be found in themselves only. They and their progeny along with some people, have amassed huge fortune, have turned the administration ruthless, wicked, unresponsive, dumb and blind. Grievances of the citizens, even if addressed to the highest bureaucrats, remain un-replied, what to say of redressal. Actually the so-called sovereign people have no choice in selecting their representatives. It has become the prerogative of the politicians and the citizens have no alternative but to vote for anyone of them, though he may not be deserving. Earlier there were so many persons in the country, with such integrity and character that they could not be allured by anybody, they never indulged in double talk unlike the present politicians."

M.R. Kanhai, Nagpur.

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"It is true that Indian democracy is suffering from the malaise of multiplicity of political parties, non-functioning of the Parliament and the state legislatures due to hooliganism and unwanted interference, criminalisation of politics and politicisation of criminals and misuse of Constituency Development Fund for M.Ps. Stability of the central government is the greatest casualty due to multiplicity of political parties. No single party has been able to muster majority in the parliament during last few years. This has resulted into the formation of government in collaboration with small regional parties based on regional, linguistic and casteist considerations. Such regional and small parties lack all-India out-look regarding national issues. Their eyes are always set on their vote bank. To do away with this malady of multiplicity of political parties, regional parties on communal, casteist and linguistic lines should not be allowed to take part at least in the election of parliament. They should be allowed to fight elections only under the banner of an all India political party. But such an all India political party must have fought elections at least in five states and obtained at least 5 percent of the total votes cast in that state. If such a method is adopted, number of political parties will be drastically reduced and ultimately result into survival of only two or three parties at all India level like U.S.A. and Great Britain.

Proper functioning of parliament on democratic lines require a strict and drastic action from the presiding officer to check hooliganism and undue interference by the unruly members. In a democratic set-up, parliament is supposed to be run in accordance with the rules and procedures laid down for such purposes. If members of a party or parties do not adhere to such rules and do not allow the house to function in a peaceful manner, such members should be suspended and eventually dismissed from the parliament for their misbehaviour and causing obstruction in the functioning of the house. This has become necessary because parliament is no longer a means for proper



governance of the country, but has become an end in itself for many a member of the parliament for self aggrandisements.

Provisions of constituency development fund for M.Ps is not a right policy because sitting members are put in an advantageous position vis-a-vis defeated and aspiring candidates. Such a system should be abolished forthwith in the larger interest of fair play. This constituency fund gives a great leverage to a sitting M.P. who distributes largess out of this fund and creates an army of workers who greatly influence the coming election and ensure the success of the sitting M.P. Even if such a fund for MPs is to be allowed, it should be monitored by a committee of members of repute and integrity. Besides, the schemes taken up from the constituency fund should be made known to the constituents and an arrangement should be made for auditing of the expenditure incurred on such schemes during the same financial year."

Rajendra Prasad Sinha, Patna.

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"The brilliant article is really thought provoking. Such writings do arouse our passion against corrupt politicians. But calling them corrupt even thousand times will not deter them from doing their misdeeds unless our words are converted into action. All the political parties have been shirking their responsibilities on the electoral reforms because it suits all of them to carry out their misdemeanours. Therefore, as a first step all the state governments where polls are due should be put under President's rule at least 90 days before the life of legislature comes to an end. This would ensure free & fair elections in the state to a large extent. The misuse of the official machinery would come to an end. This experiment can also be tried for the central government.

In the era of coalition govts. which is likely to continue for some more years, the size of the ministry is really causing concern. Take for example the size of Bihar and Uttar Pradesh ministries and even the size of central govt. ministry. Just to accommodate each partner more and more ministers are made, which results into creating more departments and more civil servants. This has given rise to expenditure at the expense of common man for whose welfare these govts. claim to work. Actually they all work for their own welfare. A PIL in this regard may be filed in the Supreme Court of India."

N.K. Bhatia, New Delhi.

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"The contents of the article reflects true picture of Indian State democracy from village level to parliament. Everywhere there is money spinning occupancy of chair and no work at all. So much so that elections are fought for consideration and not on issues or principles. This has vitiated the basics of democracy i.e. people's participation in governance to mockery of elected representatives turning into extra constitutional persons either by notoriety or usurpation of power and administration. In this respect recent passing of resolution in Maharashtra Legislative Assembly for granting extra FSI to MLAs amounts to turning law makers into medieval noble class vis-a-vis people who are essence of democracy but are made helpless, living on the mercy of such rulers. Again, criminals and dacoits become members of Parliament/ Assemblies/ Municipal Corporation so on and so forth. But nobody has courage to check their sources of income and their properties which all of a sudden grow in leaps and bounds. Bureaucracy, at every level, does not discharge even their day to day duties. On the contrary they indulge in passing the bucks and refusing to do work as nobody can hold them responsible or accountable. They are simply busy in getting their salary increments and perks as well as regular promotions on the basis of yearly CR and not their productivity. All this is at the cost of Indian tax payer and public at large. This must end if rule of law is to prevail."

M.V. Mujumdar, Mumbai.

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"The total expenditure on the running of our Parliament has multiplied over the years starting with Rs 27.72 crores in 1990-1991 to Rs. 194.89 crores in 2001-2002. Out of this the expenditure on the Lok Sabha is Rs. 136.38 crore and Rs. 58.51 crore on the Rajya Sabha. There are other large expenditures incurred on MPs as each member is a member of one or two parliamentary committees which meet quite frequently to transact business and these meetings result in colossal expenditure. In addition to other perks they get a salary of Rs. 4000 pm. and daily allowance is Rs. 400 for the day of a Session of the House, sitting of any Parliamentary Committee or any other business connected with the member's duties (Recently these have been increased to Rs. 12,000 and Rs. 500



respectively). The decorum of our MPs is so bad that at the drop of a hat they run to the 'Well' of the House. Amidst the intense din, uproar, and obstructions, the Speaker is forced to adjourn the House not only for a couple of hours but sometimes for the whole day. Our MPs are oblivious of the fact that each minute of the functioning of our Parliament costs the Indian tax payer Rs 17,677 and at the end of the day the expenditure of each House comes to Rs 79.55 lakhs. The behaviour of our MPs and MLAs lately has become so shameful that on Television they have been seen indulging in physical fights, breaking furniture and microphones etc and even a striptease like incident has been lately seen in our Lok Sabha. Our Speakers are being seen standing on the podium to restore 'order' in the House which should be an affront to their status. More often than not, the members of our Parliament choose to sit in the Central Hall while the proceedings are on. But the Indian Nation is paying for their salaries and their such tantrums. Our legislators enjoy enough privileges like free air and rail travel, telephone and also free housing throughout the term of office. Each MP also gets Constituency allowance of Rs 8000 per month, and office expenses allowance of Rs. 8500 per month. (These have been enhanced to Rs. 10,000 and Rs. 14,000.) It may be realised that all this huge expenditure being incurred on our Hon'ble members of parliament is bleeding the country white and has become a huge burden on the Nation to maintain such 'Houses of noise'."

Mahindar Singh, New Delhi.

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"It is most appalling & curious that the organ of state viz, legislature, which is meant to enact laws, rules and regulations for the governance of the body politic & provide for its welfare and uplift, has no prescribed norm for its representatives for being qualified to do so. Some of them rather act in the most unbridled, licentious, nay rowdy manner, unlike the other organ namely the judiciary. Is it much to ask of a legislative body that its members should be qualified not only with regard to its own functioning but also the manner, the etiquette and decorum with which it ought to function? The writer was spellbound witnessing on the TV the decorum and dignity with which the impeachment proceedings of the erstwhile President Mr. Bill Clinton were conducted in the US House of Representatives and the Senate. It is felt that every candidate ought to be conversant with the functioning of the legislative body and the decorum and dignity with which the proceedings should be conducted. This conditioning of every candidate is a prerequisite for the proper functioning of the democracy and in particular the legislative business. The modalities in which the same is to be ensured has to be explored and implemented so as to ensure proper dignity and decorum of the House. It should be self regulatory. The very idea of enforcement of such behaviour is contrary to their being expected to lay down the laws, rules and regulations for the governance of the country. Those who lay down laws for the governance of the country are expected to govern themselves. Most important role can be played by the major political parties and their leaders who carry a lot of weight in reigning in their members and chastening them.

Just as there are press regulatory bodies and human rights regulatory bodies, there is a need for independent public regulatory bodies for voicing the dissent and displeasure of the electorate at the atrocious and unbefitting behaviour of their own representatives, at the immense cost of public exchequer. Every right has implicit in it a responsibility and the legislators do not have this sense. The voice of the people must find an outlet through the public media, viz. the T.V. the press, the public meetings etc. An official censure by an independent public body ought to carry significant weight in making them realise to behave and desist from acting in an unbridled and licentious and most atrocious manner. Therefore, ultimately it is the vigilant electorate to seek accountability of its representatives to ensure proper functioning of the legislatures. For that the electorate has to be aware and conscious of its rights. No democracy effectively functions where the people are ignorant, uneducated, unconscious and thus mute."

Rohit D. Mehta, Bombay.

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"The article very aptly describes the current state of affairs. We have all the trappings of a Parliamentary democracy without understanding the responsibilities that go with it. The quality of governance depends on the quality of the elected members of parliament. Parties have to be very careful while selecting candidates. The criterion should not be their vote-gathering prowess only. Whenever the functioning of the House is deliberately stalled, pay and allowances of the Members should be proportionately docked. Since this would directly affect their pockets, they would be careful not to precipitate such occasions. Whenever a member does not adequately participate in the functioning of the House, his electorate should have the right to recall him if they so desire. These suggestions may appear to be some what harsh; but then a start has to be made, before the situation gets desperate, requiring desperate remedies."

S.G. Ranade, Pune

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"You have correctly assessed the present day situation with detailed facts and figures of five decades of freedom. But you forget that purpose of freedom has been achieved. We have reached 'no return' point. Your earlier effort to moralise parliamentarians and members of state legislators have drawn flak. Everyone ignored what people think about them and have not expressed personal views. Things can't improve because who can lose charm, worst times are to come. Sri Kuldeep Nayyar, Rajya Sabha member wrote to Secretary, Rajya Sabha not to pay him daily allowance for the period the proceedings were stalled in last session. I congratulated him. None other followed example. They are law makers and have scant regard for constitution and supreme court. Even supreme court has deferred indefinitely petitions against MPs. When petition against pension of MPs was filed in the supreme court, at least stay order should have been passed. The constitution bench could not meet to hear such a sensitive issue after so many years. There is no power to check perks and privileges eating large chunk of exchequer. Democracy is eroded by autocracy."

K.S. Khare, Gwalior,

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"I enjoyed reading your highly illuminating piece in which you have vividly written about the erosion of values all-around that has affected badly the functioning of democracy in our country. I had written some time ago that democracy was under siege in India. In fact it had become a stonemill round our neck. Everybody wants to become somebody these days. Every MLA wants to become a minister, every minister, a chief minister. Every chief minister considers the state of which he or she is CM as his or her fiefdom. Every regional party wants to become a national party and win elections by any means they can think of. Our political leaders don't feel any moral scruples in doing what is patently immoral, of course in its wide sense. Remember 17th April, 1999 when the then chief minister of Orissa was made instrumental in toppling the government. Advantage was taken of the technicality of the membership of the Lok Sabha. The government was toppled without first ensuring the formation of an alternative government.

The salvation lies in awakening the masses, asking them to develop a stake in the preservation of democracy in India. Democracy does not mean, as we think, in merely voting at the time of elections but also doing our duty by our country. Most of all democracy should mean recognising the real nature and worth of each and every leader to whatever party he or she may belong and supporting them, or not, accordingly.

Parochial caste and such kind of feelings have supplanted nationalism. But no country can progress if the feeling of nationalism, the sense of pride in being the citizens of a country, animates us. This is what needs to be done today. The question is who would do it? Articles like the ones penned by you would nevertheless create an awakening among the people, the articulate one."

L.D. Bhatia, Delhi.

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"The entire malaise of India, be it small-time bribery or large scams, caste war or fundamentalist-driven violence, hunger, disease, garbage in streets, repulsive disrespect even to the dead body, is attributable to a single cause - politicisation of all walks of life. Political power has corrupted the functioning of the entire society, not sparing even the holy places of worship. The situation is desperate, and unfortunately, any remedy requires the approval of the thoroughly corrupted system itself. Yet, as Noran Cousins has said in a related context, "It is easy to become cynical but essential to avoid it".

Electoral reforms in the present system is the need of the hour as I believe much of the ills of the functioning of our law making elected bodies -from village panchayats to the Parliament can be substantially cured. Under the current system, political parties select candidates to contest an election. Some independents also enter the fray. The process of selection by the political parties is in many cases, coloured by anything other than competence to contribute to the deliberations in the legislative process. Likewise, independents often put themselves up for sale during the election process itself. The consequence is that while the voter has, for name-sake, a choice of contestants to cast his vote, in reality, the choice is among the unsuitable candidates, much worse among the evil-doers of various grades. The voter is helpless. Not to vote is like spiting the nose to save the face. If a lot of voters stay away from voting, it could eventually lead to political banditry and anarchy. We need to find a solution which will reasonably balance the right of the voter to elect a clean and competent candidate, and to avoid anarchy. My proposal is that the election should be in two rounds, the second one arising only upon the first round failing to elect any of the contestant. The voter shall have the right not to



vote against all the contestants by marking his vote against column 'none' prominently provided in the Ballot Paper. In any constituency, if the votes polled by 'none' is higher than the next contestant, no candidate is to be declared a winner, and re-election should be ordered within a reasonable period of one month for fresh candidates to contest in this second round. In the second round, the voter has to elect one of the candidates, as he will have no right to vote for 'none' in this round. The results of the first round should be published before the second round starts. At the end of the second round, it should be possible to form the government by a single party or by a coalition of parties. All this can be completed, in my opinion, in 6 weeks, from the commencement of the first round.

The advantages will be: 1) the voters will inculcate in themselves a sense of responsibility in voting for the right candidate, including exercising the right to reject all of them. This should overcome apathy in participating in the election process, on the plea that all candidates are unsuitable; 2) the political parties will be careful in selecting the candidates as the right to reject will be a deterrent against selecting wrong candidates; and 3) the candidates of different parties will compete with each other on grounds of competence, integrity etc. and may even declare their assets in advance. The influence of other factors like caste, money, gifts, etc may diminish as with all those freebies, voters may still vote for 'none'. We need to change election laws; even if a constitutional amendment is required. However, this could be the biggest hurdle, as the present set of self-seekers may not be keen on changing the status quo. Failure to change now could mean anarchy in the not too distant a future and the military rule becomes the only other choice."

P.V. Maiya, Thane (W)

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"One has felt for last 4 years that our country is rapidly sliding from democracy to anarchy. Our Parliament has been turned into a Akhada and a spectacle befitting a wrestling arena. The lofty ideas of our Founding Fathers have been tarnished and destroyed beyond recognition. While the country is burning with problems of militancy, corruption, unemployment, farmers committing suicides and the image of the country taking the worst beating, our power hungry politicians are playing games, they fiddle while the country burns. It is high time that in national interest, we accept that this country cannot be administered without strong and effective Government with the nation interest at heart. Either it should be a National government or a benevolent dictatorship of Singapore model."

Amarjeet Singh, Mumbai.

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THE CLEANING lady of the bank gave notice, saying, "You don't trust me".

The branch manager replied, "How can you say that? I even leave the keys of the safe lying around".  
Said the cleaning lady, "That's true, but none of them fit".

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THREE LAWYERS and three engineers were travelling by train to a conference. At the station, the three lawyers all buy tickets and watch as the three engineers buy one single ticket between them.

"How are you three people going to travel on a single ticket?" asked a lawyer.

"Wait and watch", answered an engineer.

They all boarded the train. The lawyers took their respective seats, but all three engineers crammed into a toilet and closed the door behind them. Shortly after the train departed, the conductor came around, collecting tickets. He knocked on the toilet door and asked "Ticket, please." The door opened just a crack and a single arm emerged with a ticket in hand. The conductor took it and moved. The lawyers saw this and agreed it as a clever idea. So recognising the engineers' superior intellect, after the conference, the lawyers decided to copy them on the return trip and save some money.

When they got to the station, they bought a single ticket for the return journey. To their astonishment, the engineers did not buy a ticket at all. "How are you going to travel without even a single ticket?" asked one of the perplexed lawyers.

"Wait and watch", answered an engineer.

When they boarded the train, the three engineers crammed into a toilet. The three lawyers crammed into another nearby. The train departed. Shortly afterwards one of the engineers left the toilet and walked to the other toilet where the lawyers were hiding.

He knocked on the door and said: "Ticket, please". He got one and went to the other toilet.

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## OUR EXHORTATION TO POLITICAL PARTIES

In the context of general dissatisfaction of the people about the functioning of our political system COMMON CAUSE recently issued a self-contained letter to all the 56 political parties registered with the Election Commission for participating in elections, particularly on the subject of functioning of political parties. In this letter after highlighting the special obligations of each political party to maintain annual accounts, to get the accounts annually audited, and to submit the audit reports annually, we had requested all political parties to acknowledge receipt of this communication. Only one political party, namely CPI has acknowledged its receipt.

### LETTER TO ALL POLITICAL PARTIES IN INDIA

To

All political parties in India.

Dear Friends,

As citizens of India we feel extremely concerned about the prevalence of corruption in the country. It cannot be denied that corruption has entered practically every nook and corner; it is operating at all levels, of government offices as well as in the non-government organisations of trade and industry. Almost every individual is succumbing to the temptation of taking undue advantage of his position.

Everybody in the country is now convinced that the atmosphere of corruption has widely spread because of the present system of political functioning in the country. Functioning of democracy is necessarily based on the operations of political parties, their gaining strength in the legislatures, in the States as well as at the Centre; and the functioning of political parties necessarily depends on collection of funds, for incurring expenditure on their infrastructure and particularly for the important purposes of fighting elections. The process of elections necessitates projection of image of political parties, propagation of their programme, creating impact through organising big gatherings, building pandals often with huge cut-outs, utilising transport for carrying voters, and all such connected expenditure.

In organising these various activities and building up an effective image, every political party has to depend upon all possible strategies and means for collecting funds, from individuals, organisations, institutions, industry and trade, from within the country and also from abroad where possible. This process of raising funds, which assume size of many scores of crores in the case of bigger parties, inevitably involves measures which are often not clean; for instance, the funds given by industry and trade are not necessarily out of legitimately collected money; funds donated by individuals, particularly of substantial amounts, are also generally not lawfully collected or maintained. Black money is thus widely connected with political functioning.

Present system of funding of political parties is, therefore, looked upon as the root cause of spread of corruption. It would be incorrect to overlook these facts or to deny them. The fact is that the present functioning of political system in the country has been very largely responsible for the existing wide prevalence of corruption in the country. Political corruption begets bureaucratic corruption, business corruption, and leads also to criminalisation of politics.

In this connection it is very welcome that the Congress Party is reported to have taken decision to build up a corpus fund for providing means for maintenance and continuous strengthening of its infrastructure, and to place obligations on its members to donate a prescribed amount. The funds raised from members would be utilised for participating in elections. One important decision is reported to be that this party has decided to ask for payments only by cheque. Other parties are stated to be also contemplating adoption of measures which would bring about transparency in fund collection and for fighting elections. If political parties eventually decide upon measures which would bring about cleaning up the process of fund raising this will be a step of paramount importance from the viewpoint of checking corruption. Suggestions occasionally have emanated from certain sources that every political party should depend upon State Funding, but these suggestions have not been acceptable nor are feasible because it is obviously difficult to prescribe any satisfactory criteria for determination of quantum of funds which would be appropriate for any particular party.



COMMON CAUSE strongly feels that people are in favour of evolution of certain broad decisions in this regard which must be taken up by political parties in the interests of the country. It is being suggested that following procedures may be considered by every political party for adoption; this will go a long way to facilitate the raising of funds by them and in bringing about transparency in the process of fund collection which will definitely bring about a great change in functioning of political system and check the evil of corruption. We are presenting hereunder, in the present communication which is addressed to all political parties recognised by the Election Commission, specific and concrete suggestions for their consideration and adoption:

- (i) All donations and contributions to political parties, which are on the recognised list of the Election Commission, shall be entitled to 100 per cent reduction of income tax for the donor on the donations irrespective of the fact whether the party is operating on All-India basis or on State basis or even on local area basis for municipal or panchayat elections. Government of India should make this declaration. Proformas for this purpose should be devised by the Income Tax authorities and copies made available to the parties in accordance with a prescribed procedure.
- (ii) All donations above the amount of Rs. 100/- should be only by cheque. Any donations which are not given by cheque will not be entitled to deduction of Income Tax. Suitable law needs to be formulated for the purpose, as a part of the law relating to the funding of political parties and elections.
- (iii) Every political party must strictly abide by the provisions of Sections 13 (A), 139 (4) (B) and Section 142 (1) of the Income Tax Act, which make it mandatory that every political party must maintain proper accounts, that the accounts must be annually audited, and that the audit report must be annually submitted to the concerned office of Income Tax authority. Income Tax authority will be under obligation to take action for any default to abide by these statutory requirements.

We earnestly hope that every political party will kindly give serious consideration to these suggestions and determine ways and means of ensuring that they adopt these in the interest of cleaning the country and the political parties and the system of elections.

We look forward to acknowledgment of receipt of this communication.

Yours faithfully,  
(H.D. Shourie)  
Director

Copy to:

- (i) The Chief Election Commissioner, Election Commission of India, Nirvachan Sadan, Ashoka Road, New Delhi.
- (ii) The Secretary to the Government of India, Ministry of Law, Justice & Company Affairs, Shastri Bhawan, Dr. Rajendra Prasad Road, New Delhi-1.
- (iii) The Secretary to the Government of India, Ministry of Finance, North Block, Central Sett., New Delhi-110001 (for transmission to the Chief Commissioner of Income Tax).

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A FARMHAND in Westland went to the doctor with a broken leg.....

"Well, doc, 25 years ago....."

"Never mind the past. Tell me how you broke your leg this morning."

"Like I was saying..... 25 years ago, when I started working on the farm, that night, after I had gone to bed, the farmer's beautiful daughter came into my room. She asked me if there was anything I wanted. I said no, everything was fine. "Are you sure?" she asked, "I'm sure", I said. "Isn't there anything I can do for you?" She wanted to know. "I reckon not", I replied.

"Excuse me, "said the doctor. "What does this story have to do with your leg?"

"Well, this morning, "the farm-hand explained, "When it dawned on me what she meant, I fell off the roof:"

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## COMPLAINTS UNDER CONSUMER PROTECTION ACT

There have recently been disturbing press reports about big-scale manufacture of counterfeit electric bulbs on which even ISI mark was affixed, and of extensive manufacture and marketing of fake medicines. These are obviously very undesirable developments from the viewpoint of consumers.

In the case of medicines there is also a serious problem of escalating prices. As a result of continuous spurt in prices, some of the medicines have gone out of reach of common man. There is no representative of consumers in the National Pharmaceutical Pricing Authority. Price printing of medicines on their packages/containers is another important issue for the consumers. Whereas all other packages indicate maximum retail price i.e., inclusive of local taxes, in the case of medicines, local taxes are charged/chargeable extra. This is a deviation from the Packaged Commodity Rules formulated under the Weights & Measures Act. This has been done ostensibly under the influence of manufacturers of medicines.

Keeping in view the interest of consumers, COMMON CAUSE has filed two complaints on the above subjects before the National Commission for Redressal of Consumer Disputes. Department of Consumer Affairs of Ministry of Consumer Affairs and Public Distribution, Department of Chemicals & Petrochemicals of Ministry of Chemicals & Fertilizers, Ministry of Home Affairs and Bureau of Indian Standards have been made Respondents in the complaint relating to fake goods. The Department of Chemicals and Petrochemicals Deptt. of Consumer Affairs, and National Pharmaceutical Pricing Authority have been made Respondents in the second complaint.

Unfortunately the complaints have not been admitted. The National Commission has observed that these complaints do not contain any demand for monetary compensation and are thus not admissible under the Consumer Protection Act. We have previously been taking up collective problems of consumers to the National Commission without any demand for monetary compensation. These included the requirement of mandatory use of iodized salt, threatened strike by flight engineers of Airlines, printing of prices on packages of imported films etc. This matter has accordingly again been taken before the National Commission, referring to the provisions contained in section 14 of the C.P. Act which prescribes the various issues on which orders can be given by the District Consumer Forums; these provisions are indicative of the areas in which the "Consumer Courts", including the National Commission, can give decisions, without consideration of the requirement of monetary compensation.

The two complaints are reproduced below:

### BEFORE HON'BLE NATIONAL COMMISSION FOR CONSUMER DISPUTES REDRESSAL COUNTERFEIT PRODUCTS AND FAKE MEDICINES

We submit before Hon'ble National Commission through this complaint the wide-spread existence of serious general problems of manufacture and sale of fake and counterfeit products which ostensibly are prevailing in many places of the country. There have been reports in the Press about extensive fraudulent practices perpetrated on the consumer through the manufacture and sale of various types of counterfeit and fake consumer products. If these fraudulent practices are not effectively checked by the concerned governmental authorities there is apprehension of further serious harm being caused to the consumer in general.

Firstly, we invite attention of the Hon'ble National Commission to the Press report placed at Annexure 'A' which shows that as many as 25,000 counterfeit electric bulbs have been detected at a place of small-scale manufacturer in Delhi. These bulbs carry on them the name of known manufacturer and also "ISI" mark of having been manufactured according to the Bureau of Indian Standards (BIS) specifications. It is stated in the Press report that this small factory has capacity of manufacturing 2000 bulbs daily. The premises were raided by the police and case of cheating has been registered against the factory owner.

It is being generally felt everywhere that electric bulbs which are used these days normally fuse off in about 10/15 days. This itself is indicative of the fact that fraudulent practices of manufacture of fake and counterfeit bulbs are apparently prevailing in the country and unscrupulous elements are taking the opportunity of perpetrating this fraud because apparently the check on such fraudulent practices is presently inadequate.



Another area of widespread prevalence of fraudulent practices is that of manufacture of fake and counterfeit medicines. There have been extensive reports of the prevalence of this malaise. Attention of the Hon'ble National Commission is invited to the reports appearing at B, B-1, C, D, E, F & G. These reports are indicative of the widespread existence of this serious menace. It is obvious that fake medicines can do serious harm to the patients if they contain inappropriate constituents which are prescribed for treatment of particular ailments. It is very alarming, as reported in Annexure "C", that concerned officials claim helplessness in checking fake drugs claiming inadequacy of being ill-equipped to tackle this problem.

Manufacture and sale of fake drugs has become widely prevalent and hundreds of persons are stated to have been engaged in this illegal job in areas between Delhi and Rohtak alone. Press report at Annexure "B" states that fake drugs worth Rs 1 crore have been seized from a godown in Delhi. These drugs according to report include some genuine and widely used drugs such as Crocin, Brufane, Albrax, Saridon etc.

Other than manufacture and sale of counterfeit electric bulbs and fake drugs, reports also mention the prevalence of practice of sale of other fake items including those mentioned in Annexures "F" and "G", namely, mineral water and contaminated ice cream.

For the protection of interests of consumers there is great need of taking appropriate and effective steps for checking the fraudulent practices of manufacture and sale of fake and counterfeit drugs and other items mentioned in the above paragraphs. For this purpose we have considered it appropriate to cite the Respondent No. 1, namely, Department of Consumer Affairs. The need of citing other Ministries/Departments as Respondents is obvious. Department of Consumer Affairs is charged with the responsibility of ensuring the implementation of the provisions of the Consumer Protection Act. Department of Chemicals and Petrochemicals has the responsibility relating to the manufacture and sale of medicines and drugs. We feel that there is great need of Ministry of Home Affairs being fully acquainted with these problems so that they examine what further measures, through police action and Intelligence Branch, need to be taken to curb this widely prevalent menace. The Bureau of Indian Standards has been included in the list because they should consider ways and means of detecting the fraudulent practices of affixation of "ISI" mark on fake and counterfeit products; their task should not remain restricted to mere formation of ISI standards but should also include the effective enforcement of these standards.

We feel that a comprehensive programme for action in this connection needs to be developed, through the intermediacy and assistance of State Governments. A group of knowledgeable experts should be set up which should draw up a plan of action under which the facts of the nature mentioned in the foregoing paragraphs, including the manufacture and sale of counterfeit and fake products are continuously detected and the cases are lodged against the culprits. The group should also be charged with the responsibility of detecting the existence of fraudulent practices in relation to other products and instilling in the minds of the counterfeiters that their actions will be taken up very seriously by the concerned governmental authorities for inflicting exemplary punishment on the wrong-doers.

We earnestly hope that for protecting the interests of consumers the Hon'ble National Commission will kindly initiate requisite steps for translating into reality the proposals embodied in this complaint, including particularly the proposal contained in the above concluding paragraph.

## **SPURT IN PRICES OF MEDICINES AND PRICE PRINTING ON PACKAGES**

The Complainant, an organisation dealing with problems of the people for seeking redressal, submits this complaint for consideration of the Hon'ble National Commission on problems relating to prices of medicines. For the consumers in general the availability and prices of medicines are of paramount importance from the viewpoint of treatment of ailments and for purposes of retaining health. There are two issues in this regard which we wish to submit before the Hon'ble National Commission: (i) relating to continuous escalation of prices of medicines and (ii) regarding printing of prices on packages/containers of medicines where the dealers are allowed to charge "Local Taxes Extra" which provision has got deleted on all packages of products other than medicines.

### **I. Spurt in Prices of Medicines**

The Government formulated Drug Policy, 1986, which was modified in 1994. The main objective of the Policy is to ensure abundant availability, at reasonable prices, of essential and life saving and prophylactic medicines of good quality. The Govt. thereafter, issued the Drugs (Prices Control) Order (DPCO), 1995, which gives powers to the government to fix prices of non-scheduled bulk formulations. The scheduled drugs which numbered 347 in 1979 are those which were listed in the schedule attached to the DPCO and as such are referred to as scheduled drugs. Number of such drugs came down to 142 in 1986 and to 76 vide DPCO '95.



There is a continuous spurt in prices of drugs as a result of which a number of drugs have gone out of the reach of common man. The government control is proving ineffective. The enclosed news items which appeared in the Indian Express on 29-11-99 gives an indication of how the prices are escalating.

DPCO' 95 provides vide section 7 that while fixing the retail price of a formulation Maximum Allowable Post-Manufacturing Expenses (MAPE) is not to exceed 100%. Respondent No. 3 established as an independent body of experts by Govt. of India, Ministry of Chemicals & Fertilisers, Department of Chemicals and Petrochemicals with the task of fixation and revision of prices, is conveniently allowing 100% MAPE in all cases. According to them "in case the MAPE is varied from formulation to formulation or from manufacturer to manufacturer, it would result in multiplicity of prices making monitoring and enforcement difficult". It means that even where a lower MAPE should have been allowed, they are allowing 100% MAPE and thereby giving undue benefit to the manufacturers. There is no representation of consumers on this Body.

There are also cases of flouting of the DPCO by collusion among drug manufacturers, chemists and drug control officials in the implementation of the DPCO. The violations of DPCO are reported to be rampant in the country and most States are apathetic about the issue. It was reported in the "India Today" issue of 28th July 1998 that in Karnataka alone, the State Drug Control Department had revealed that 61 companies made as much as Rs. 36 crore in one year by overcharging. About 22 FIRs were reported to have been filed in Karnataka.

Respondents No. 1 & 3 have failed to exercise powers to control the increasing drugs prices. A copy of the news item which appeared in the Hindustan Times of 19th September, 2000 is enclosed in this connection.

The Complainant Society has been writing to the Respondents since July 1999, copies of letters dated 23rd July 1999, 19th November 1999, and 16th January 2001 are enclosed as Annexures. All these efforts of Complainant have been unavailing.

## **II. Price printing on packages/ containers of medicines:**

The price printing of medicines on their packages/containers is very important issue from the viewpoint of consumers. On the initiative of COMMON CAUSE the then Ministry of Consumer Affairs (now Respondent No. 2) had many years ago issued a general order under the Packaged Commodities Rules formulated under the Weights & Measures Act, that on all packages, of any products, the price should be displayed in the form of MRP (i.e., Maximum Retail Price) which should be inclusive of local taxes. Prior thereto the packages used to contain the price printing in the form "Price \_\_\_\_\_ Local Taxes Extra". Normally buyers are not aware of the amount of "Local Taxes", with the result that there was always the possibility of consumers being over-charged by the dealers. This fact was urged by the Complainant before the then Ministry of Consumer Affairs and under the direction of the Minister, orders were issued, under the Packaged Commodities Rules of the Weights and Measures Act that henceforth manufacturers all over the country must mark the prices in the above cited shape of MRP (Maximum Retail Price) which should be inclusive of local taxes. This Order has since continued to be observed and has been applicable to all packages containing any products for sale. Through this Order the problems faced by the consumer, of being charged in excess of the operative local taxes, has got resolved.

Somehow, the Department of Chemicals & Petrochemicals of the Ministry of Chemicals & Fertilizers (Respondent No. 1) ostensibly under the influence of manufacturers of medicines, succeeded in issuing an Order whereunder medicines were excluded from the scope of the Order relating to MRP. The prices are even over-written which should not be permitted in any case. Attached annexure elaborates how the prices are exhibited. The Complainant organisation has repeatedly taken up this matter with the Respondent No. 1, and also with Respondent No. 2, that issue of that decision of Respondent No. 1, to keep medicines out of the purview of MRP Order, has no justification, and that the packages of medicines should also, as in the case of all other products in packages, be brought under the purview of MRP. Copies of our letters dated 21st December, 1999 and 20th January, 2000 are attached as Annexures. Unfortunately, this effort has been unavailing.

Taking into account the facts submitted in the foregoing paragraphs Hon'ble National Commission may kindly consider directing the Department of Chemicals, Respondent No. 2 and NPPA Respondent No. 3 to redress the problems relating to (i) the exercise of suitable check on the inordinate escalation of prices of medicines, taking into account the fact that medicines constitute an absolute necessity for curing patients and saving lives, and (ii) the removal of anomalies of keeping medicines out of the purview of orders issued by the Department of Consumer Affairs, Respondent No. 1 regarding the procedure of marking MRP (i.e., Maximum Retail Price) "inclusive of Local Taxes", to avoid the buyers of medicines being over-charged on the plea of higher "local taxes".

(Annexures were attached to the complaints. Reference to these has been made in the above reproductions, but these annexures have been deleted in the reproductions).



To

All Members of Common Cause

## NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of COMMON CAUSE Society will be held in the Speaker's Hall, Constitution Club, Rafi Marg, New Delhi, on Saturday the 27th Oct. 2001 at 11.00 a.m.

Agenda will be as follows:

- i) Consideration of Annual Report and adoption of the Annual Accounts alongwith the Auditors Report for the year 2000-2001.
- ii) Appointment of Auditors for the year 2001-2002
- 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

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### AUDITORS REPORT

We have audited the attached Balance Sheet of Common Cause as at 31st March, 2001 and also the annexed Income and Expenditure Account for the year ended on that date after incorporating the accounts of the Common Cause Trust and report that :-

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of the audit;
- (ii) The Balance Sheet, and the Income and Expenditure Account dealt with in the report are in agreement with the books of accounts; and
- (iii) In our opinion, proper books of account have been kept by the Society / Trust so far as appears from our examination of the books.

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

- (i) In the case of Balance Sheet, of the state of affairs of the Society/ Trust as at March 31, 2001; and
- (ii) In the case of Income and Expenditure Account, of the excess of income over expenditure, for the year ending on March 31, 2001.

For VKGN & Associates  
Chartered Accountants

Vijay Gupta  
FCA-81986

Place : New Delhi  
Date : 27 July 2001



## COMMON CAUSE

### Annual Report for the year 2000-2001

COMMON CAUSE satisfactorily continued its normal activities during the year of Report. It continued to focus attention on collective and common problems of the people, for which efforts are made to secure redressal through intermediacy of the superior Courts where necessary.

As usual, because of the name of the organisation having got widely associated with tackling grievances of the people, we continued to receive a large number of requests for amelioration of individual problems. These included, for instance, problems of marital discord, alleged harassments by organisations like Delhi Vidyut Board, Municipal Corporation of Delhi, MTNL, etc., and also matters relating to property tax, non-payment of pension/retirement dues, long pending cases in courts, encroachments and defrauding by non-banking finance companies. Where problems of collective nature are envisaged in relation to complaints of individual grievances we have been taking initiative to take such matters to the concerned departments/organisations, Government of India, and to the concerned State Governments, and our intervention has helped to solve quite a few such problems.

Public Interest Litigation (PIL) initially started mainly by COMMON CAUSE has now become an important handle for securing solutions of collective problems, and a large number of PILs continue to be placed before the Supreme Court and High Courts during the last few years, practically all over the country. In the year of Report some of the pending important PILs pursued by COMMON CAUSE and new ones filed by the organisation include the following:-

- (i) Railway disasters that have been taking place, causing serious loss of life and property. The Railway authorities have tried to explain the steps that they have been taking to incorporate safety in the operations, but we have further submitted facts and figures of failures and omissions which have been resulting in the tragedies of railway disasters.
- (ii) There has been proliferation of fake teaching institutions and universities, which have been quite extensively misguiding gullible and aspiring students. The problem has become quite acute and we considered it appropriate to pursue this matter through writ petition filed in the Supreme Court. The concerned authorities have not yet been able to give any satisfactory explanation regarding the steps taken to check the expansion of this malaise.
- (iii) The matter relating to proliferation of showing crime and violence on TV has also been taken up for being pursued through the PIL in the Supreme Court. The Respondent, Ministry of Information & Broadcasting, has yet to provide satisfactory reply, and the matter continued to be pursued.
- (iv) Lawyers' strike in Delhi last year had created serious problems. They launched agitation against the Bill which aimed at making certain amendments in the Civil Procedure Code. We had taken the matter to the Supreme Court where it was thrashed out with the top Bar Association. The amendments proposed in the Civil Procedure Code are unfortunately still pending.
- (v) There have been reports of certain freebies which were introduced some months ago in the TELECOM Department. The matter was considered important for taking to the Supreme Court.

In addition to such new PILs the organisation continued following up other pending PILs which were submitted before the Supreme Court and Delhi High Court in recent years. The problem relating to non-notification of Delhi Rent Control Act which was passed by both Houses of Parliament as long ago as 1995 and had received assent of the President, continue to be pursued before the High Court and has since been taken to the Supreme Court. The problem of Unauthorised Colonies, which had been taken by us to the High Court as long ago as 1993, still continues to be pursued. Likewise, the problem of introducing new Building Bye-laws, which are alleged to cause serious deprivations in relation to urban constructions in Delhi, filed by us before the High Court, continues to be pursued.

Arising from press reports about the proposed compulsory introduction of Sanskrit and Astrology in the universities we had taken the matter to the Supreme Court which unfortunately declined to initiate action against the concerned authorities; recently there have been news that on another PIL the Supreme Court has now issued notices to the concerned authorities in relation to introduction of Astrology course; this matter is proposed to be taken again for being pursued also by us before the Supreme Court. Our writ petition challenging the pension being given to MPs, as being violative of the provisions of the Constitution of the country, which was filed by us more than ten years ago, is still pending for being heard by the Constitution Bench of the Supreme Court. Likewise, the allocations made for use of MPs through the Local Area Development Scheme is yet pending finalisation before the Supreme Court.



The articles of Director of COMMON CAUSE, which appear in Times of India every 2/3 weeks, have invariably attracted a large number of letters from the readers who convey their anguish and concern about the inadequacies and deficiencies pointed out in our political system. The letters received in relation to three particular articles were published in the shape of a Booklet which was circulated to all MPs and MLAs to acquaint them with the views of the readers about the various problems relating to multi-party system, coalitions, and the problems of political functioning.

This briefly gives account of activities and programmes which continue to be pursued by COMMON CAUSE. The brief picture of our finances follows:

**Finance & Accounts:**

Audit Report of Accounts of COMMON CAUSE Society and COMMON CAUSE TRUST, for the year ending 31st March, 2001, has been received; its main portions including balance sheets are attached herewith. Other documents of the report are available for any reference that may be considered necessary.

Accounts show a satisfactory position. COMMON CAUSE has continued to restrict its expenditure close to its income. Its income and expenditure account shows that the total expenditure has been Rs. 8,77,510/-, out of which the expenditure on staff was Rs. 3,10,376/-, on printing Rs. 2,53,329/- which comprises expenditure on printing of periodical and also printing of compilation of letters received from readers who had expressed their views about functioning of politicians; copies of the compilation were sent to MPs and MLAs all over the country. Aggregate income was Rs. 8,58,813/- including interest on Fixed Deposits and Savings Bank A/c (Rs. 5,46,436/- plus Rs. 14,845/-) and other items including Membership subscriptions and donations.

Accounts of COMMON CAUSE TRUST show the present fixed assets of the value of Rs. 67,95,083/-; rent of Rs. 9,98,750/- was received from two floors rented out. Considerable expenditure had to be incurred on installation of appropriate electricity load because DVB was not prepared to provide it without the installation of transformer. An amount of Rs. 5,30,000/- had to be incurred on the Property Tax on the building.

**COMMON CAUSE**

(Registered under the Societies Registration Act, 1860)

**BALANCE SHEET as at MARCH 31, 2001**

Particulars	Schedule	31.03.2001 Amount (Rs.)	Particulars	Schedule	31.03.2001 Amount (Rs.)
<b>LIABILITIES</b>			<b>ASSETS</b>		
Capital & Corpus Fund Accounts	A		Fixed Assets	D	4,84,660
* Life Membership Subscription Fund		8,15,580	Investments	E	
* Corpus Fund		40,50,689	* Fixed Deposits with SAIL		43,95,448
Foreign Contribution Fund	B	3,867	Current Assets, Loans & Advances	F	3,92,782
Common Cause Trust	C	4,41,593	Income & Expenditure Account (being Excess of Expenditure over Income):		
			Opening Deficit		20,142
			Add: Deficit for the year		18,697
Significant Accounting Policies & Notes to Accounts	G	53,11,729			38,839
					53,11,729

Signed in terms of our report of even date

For VKGN & Associates  
Chartered Accountants

For Common Cause Trust

Vijay Gupta  
FCA - 81986

Govind Narain  
President

H.D. Shourie  
Director

Place : New Delhi  
Date : 27.07.2001

Maj. Gen. U.C. Dubey  
Treasurer



**COMMON CAUSE**

(Registered under the Societies Registration Act, 1860)

**INCOME AND EXPENDITURE ACCOUNT for the year ended MARCH 31, 2001**

Particulars	31.03.2001 Amount (Rs.)	Particulars	31.03.2001 Amount (Rs.)
<b>EXPENDITURE</b>		<b>INCOME</b>	
Staff Salary & Bonus	2,12,876	Donations	1,06,384
Honorarium to Consultants	97,500	Annual Membership	14,321
Printing & Stationery	2,53,329	Associate Membership	4,800
Water & Electricity Expenses	40,735	Interest Received :	
Telephone Expenses	20,077	* Savings Bank	14,845
Postage & Telegrams	42,670	* Fixed Deposit with SAIL	5,46,463
Legal Expenses	23,500	Amount transferred from :	
Conveyance Expenses	32,682	Foreign Contribution Fund Account	1,72,000
Ground rent	29,401	Deficit - Excess of Expenditure	
Meetings & Seminars	1,700	Over Income	18,697
Membership Charges	1,879		
Bank Charges	2,383		
Books & Periodicals	189		
Repairs & Maintenance	14,809		
Miscellaneous Expenses	1,714		
Housekeeping & Staff Welfare	3,242		
Depreciation	81,662		
Audit Fee	17,162		
	<u>8,77,510</u>		<u>8,77,510</u>

Significant Accounting Policies & Notes to Accounts: Schedule G

Signed in terms of our report of even date

For VKGN & Associates  
Chartered Accountants

For Common Cause Trust

Vijay Gupta  
FCA - 81986

Govind Narain  
President

H. D. Shourie  
Director

Place : New Delhi  
Date : 27 JUL 2001

Maj. Gen. U. C. Dubey  
Treasurer



Schedule-C

**COMMON CAUSE TRUST**

(Under regulation 8 of the Rules & Registration of the Common Cause)

**BALANCE SHEET as at MARCH 31, 2001**

Particulars	Schedule	31.03.2001 Amount (Rs.)	Particulars	Schedule	31.03.2001 Amount (Rs.)
<b>LIABILITIES</b>			<b>ASSETS</b>		
Building Fund Account (being Donations received from Goodearth Foundation)		83,00,000	Fixed Assets	C-1	67,95,083
Security Deposit (Rent)		3,57,000	Investment		
Advance rent (net of TDS)		3,21,300	* Fixed Deposits with HDFC Bank		8,94,171
			* Interest accrued thereon		21,363
			Balance with HDFC Bank A/c. No. 011202000004		58,626
			Deposit with Delhi Vidyut Board		40,500
			TDS on Rent recoverable		
			F.Y. - 1999-2000	78,540	
			F.Y. - 2000-2001	73,304	1,51,844
			TDS on Interest recoverable		2,540
			Excess of Expenditure over Income:		
			As per Income & Expenditure A/c C-2		5,72,580
			Balance Transferred to Common Cause		4,41,593
		<u>89,78,300</u>			<u>89,78,300</u>

Schedule-C-2

**COMMON CAUSE TRUST**

(Under regulation 8 of the Rules & Regulations of the Common Cause)

**INCOME AND EXPENDITURE ACCOUNT for the year ended MARCH 31, 2001**

<b><u>EXPENDITURE</u></b>		<b><u>INCOME</u></b>	
Electricity expenses	8,630	Rent	9,98,750
Donation (P M Relief Fund)	10,000	Interest on Fixed Deposit	49,206
Depreciation	C-1 6,12,157		<u>10,47,956</u>
Property Tax	5,30,000		
	<u>11,60,787</u>		
Deficit-Excess of Expenditure over Income carried to Balance Sheet:			
Opening Deficit	4,59,749		
Add: Deficit for the year	1,12,831		
	<u>5,72,580</u>		
Signed in terms of our report of even date			

For VKGN & Associates  
Chartered Accountants

Vijay Gupta  
FCA - 81986

Place : New Delhi  
Date : 27.07.2001

Treasurer



### OUR ACTIVITIES AND PROGRAMMES

COMMON CAUSE, a registered Society with membership all over the country and operating on All India basis, has earned reputation and credibility as an Organisation dedicated to public causes for seeking redress for problems of the people. Its initiative in public interest litigation, for solving the common and collective problems of the people, has greatly contributed to the evolution and spread of the system in the country and its adoption by the people on a substantial scale for effecting redressal of public grievances.

A large number of writ petitions have been filed by the Organisation in the Supreme Court and Delhi High Court, and quite a few important cases have been taken to the National Commission established under the Consumer Protection Act. The very first case taken up by COMMON CAUSE, almost two decades ago soon after its establishment, related to the problems of pensioners. Almost four million pensioners benefited from the three important decisions which the Organisation was able to secure from the Supreme Court, relating to the extension of liberalisation of pension, restoration of commutation of pension and

#### OUR GRATEFUL THANKS

*We have the privilege of receiving assistance also from the well known Friedrich-Naumann-Stiftung of the Federal Republic of Germany, the Foundation which is supporting various projects and activities connected inter alia with consumer awareness, entrepreneurship development, economic and civic education, environment protection, legal services, income generation and rural development. The Foundation is named after the known socio-liberal statesman Friedrich Naumann and works towards his ideals and the vision of Liberal society. In India the Foundation operates from USO House, 6, Special Institutional Area, New Delhi-110067*

*We are also grateful to Kumari L.A. Meera Memorial Trust, Kerala, for providing us financial assistance for our activities.*

extension of the scheme of family pension. An important matter relating to the pending criminal cases of the courts of the country was taken to the Supreme Court. In our writ petition specific suggestions were submitted for adoption of procedures for dealing with backlog. The important decision given by Supreme Court in this case led to the discharge of large number of accused persons and release of prisoners whose cases had dragged on for long periods. These directions have brought about termination of hundreds of thousands of cases all over the country. On the subject of general malfunctioning of Blood Banks a writ petition was formulated and taken to the Supreme Court. Directions given by the court on this important matter has led to the evolution of system for registration of Blood Banks and stoppage of use of professional blood donors. On the general matter of corruption and establishment of the institutions of LOKPAL and LOK AYUKTAS in the country the Supreme Court, on a writ petition of the organisation, gave a verdict of severe punishment in a particular case, and the matter relating to the appointment of Lok Ayuktas has continued to be pursued by issuing direction to all States. On another writ petition the Supreme Court gave very important direction in relation to the conduct of election campaigns by the political parties, in relation to a provision which has been incorporated in the election law. The Court also directed strict

compliance with law in relation to the submission of Income-tax Returns by the political parties.

In Delhi High Court a number of writ petitions have been filed by the organisation. Problems of general importance, such as anomalies arising in the Property Tax and the difficulties encountered in the operation of old Rent Control laws, have been taken up and are being pursued. There has been large-scale theft of electricity in Delhi on account of which electric distribution has often got disrupted and the authority has had to resort to load-shedding; these problems have been taken to Delhi High Court and are being pursued. A major problem in Delhi has been the large-scale establishment of unauthorised residential colonies. There has been demand for their regularisation; this was challenged by the organisation and the matter continues to be further pursued.

An important matter relating to Rail Disasters which have taken place in the country in recent years has also been taken to the Supreme Court. Other important matters recently taken to the Supreme Court include the functioning of Fake Universities and ineligible Teaching shops, Crime and Violence on TV, Telephone freebies to over 3 lakhs employees, required change-over to two Time Zones, and deficiencies found in the implementation of Voluntary Disclosure of Income Scheme (VDIS) of GOI. The National Commission established under the Consumer Protection Act has, on our submission, issued certain important decisions on matters such as use of iodized salt, stoppage of malfunctioning in relation to intravenous fluids, operation of buses on Delhi roads and strikes by Banks and Air India. Important decisions in general interest of consumers secured from the Supreme Court include establishment of Consumer Forums in all districts of the country and price printing also on all imported packages.

**Membership of the organisation is open to all. Membership fees are Rs. 100 for annual membership for individuals, Rs. 500 for life membership and Rs. 200 for annual membership of organisations and associations. Quarterly Periodical COMMON CAUSE goes free to all members; it has no separate subscription. Donations to COMMON CAUSE are eligible for exemption available under Section 80-G of Income Tax Act. Everybody can take membership of the organisation. No form is required. Send your name and address, written in capital letters, along with cheque/DD, drawn in favour of COMMON CAUSE.**