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ANALYSIS OF ELIGIBILITY OF REGISTERED UNRECOGNISED POLITICAL PARTIES TO RECEIVE FUNDING THROUGH ELECTORAL BONDS

(updated on 04 June 20)

A Report by

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Analysis of Eligibility of Registered Unrecognised Political Parties to receive funding through Electoral Bonds

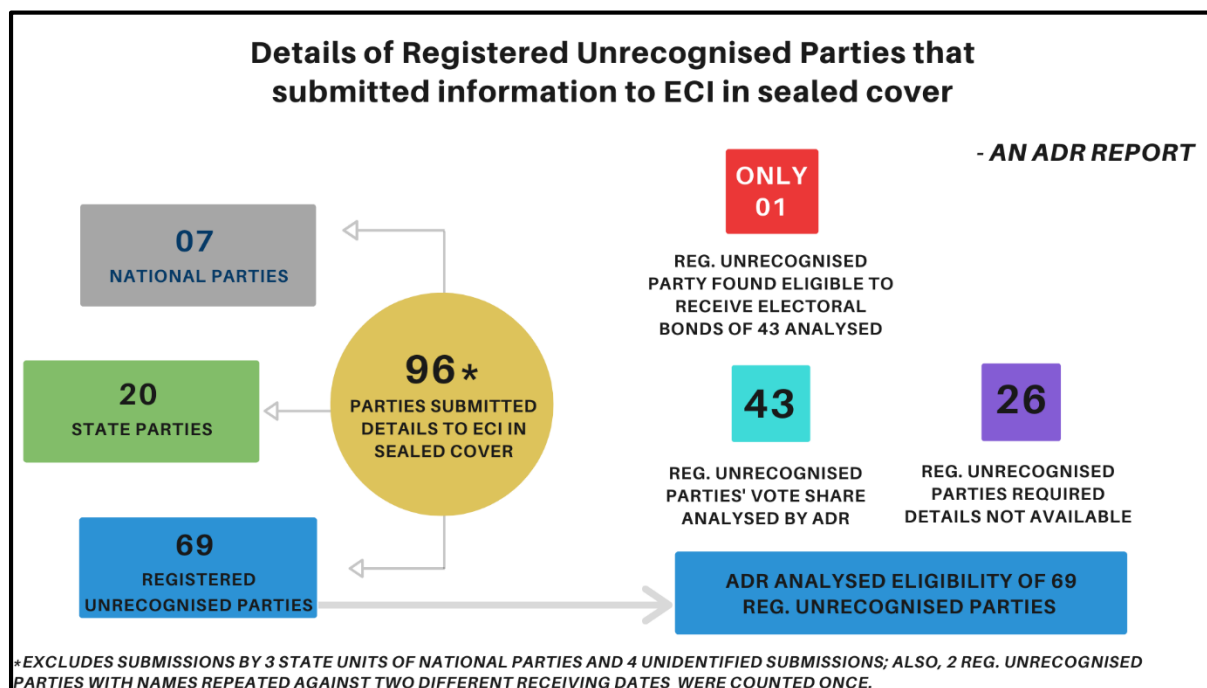
Introduction

Government of India had notified the Electoral Bond Scheme, 2018 vide [Gazette Notification No. 20](#) dated 02nd January 2018. As per the provisions of the Scheme, only the political parties registered under Section 29A of the Representation of the People Act, 1951 (43 of 1951) and have **secured not less than one per cent of the votes polled in the last general election to the House of the People or the Legislative Assembly, as the case may be, shall be eligible to receive Electoral Bonds.**

The Supreme Court of India in its [interim order](#) dated April 12, 2019 in the matter of *Association for Democratic Reforms & Anr. v Union of India & Ors. (2015): W.P (Civil) No. 333/215* directed that:

"All the political parties who have received donations through Electoral Bonds till date to submit to the Election Commission of India (ECI) in sealed cover, detailed particulars of the donors as against the each Bond; the amount of each such bond and the full particulars of the credit received against each bond, namely, the particulars of the bank account to which the amount has been credited and the date of each such credit. The above details will be furnished forthwith in respect of Electoral Bonds received by a political party till date. The details of such other bonds that may be received by such a political party upto the date fixed for issuing such bonds as per the Note of the Ministry of Finance dated 28.2.2019, i.e. 15.5.19 will be submitted on or before 30th May, 2019."

In view of the counter affidavit filed by ECI with the Supreme Court recently, and the reply received from the ECI dated November 05, 2019 in response to RTI filed by ADR on the list of political parties that submitted details of donations received via electoral bonds in sealed cover, ADR examined the eligibility of the registered unrecognised parties to receive electoral bonds. Of a total of **69* registered unrecognised parties** that submitted details to ECI in sealed cover complying with SC's interim order, the vote share details of only **43 parties** were available to assess their eligibility. Only **1 registered unrecognised party** of the 43 parties analysed was **found eligible to receive electoral bonds**, as per the eligibility criteria mentioned in the Electoral Bond Scheme, 2018.



*After counting the repeated party names (*Bharatiya Rashtriya Morcha & Rashtriya Republican Party*) once

Detailed Report

This report, prepared by Association for Democratic Reforms (ADR), examines the eligibility of the aforementioned **69 Registered Unrecognised Parties** to receive donations through Electoral Bonds in accordance with the Electoral Bond Scheme, 2018. For this purpose, ADR analysed the **required vote share details available for 43 of these political parties** in the **last General Election to the House of the People or the Legislative Assembly of the State** contested by them. The SC interim order required the submission of details of Electoral Bonds received by political parties up to [15.5.19](#) i.e. the last day of sale of Electoral Bonds for the month of May before the submission date of 30th May, 2019 mentioned in the interim order. In view of this, the vote share data for examining the eligibility of parties is considered for the last General Election to the House of the People or the Legislative Assembly of the State contested by these parties **before the 2019 Lok Sabha and the four State Assembly Elections**.

Eligibility of Registered Unrecognised parties whose required vote share details are available

1. Out of the **69 Registered Unrecognised political parties**, the required vote share details of the last General Election to the House of the People or the Legislative Assembly of the State are available for **43 political parties**. While for **two political parties** namely Namadho Kongu Munnetra Kalagam and Socialist Party (Secular), **vote share details are available for bye-elections only**. The vote share details of the aforesaid **45 parties** are given in the table below.
2. Of these **43 parties** whose required vote share details are available, only **one party meets the eligibility criteria**, of securing at least one per cent of the votes polled in the last General Election to the House of the People or the Legislative Assembly of the State, for receiving donations through Electoral Bonds. This party is called **Godwana Gantantra Party (GGP)** which last contested in Chhattisgarh Assembly Election 2018, securing a vote share of **1.73%** of the total votes polled.
3. The vote share of the remaining **42 parties**, that submitted details of donations received through Electoral Bonds to the ECI in sealed cover, range between maximum of **0.86%** and minimum of **0.0003%**.

Vote share of Registered Unrecognised parties whose last election contested details are available on ECI website

S.No	Political Party Name	Date of Receiving in ECI	Last Election Contested	Number of Contested Seats	Total Valid Votes	Voting Share
Parties that meet the eligibility criteria to receive donations via Electoral Bonds						
1	Godwana Gantantra Party	30-May-19	Chhattisgarh Assembly Election 2018	38	247428	1.73%
Parties that do not meet the eligibility criteria to receive donations via Electoral Bonds						
2	Marumalarchi Dravida Munnetra Kazhagam	1-Jun-19	Tamil Nadu Assembly Election 2016	29	373606	0.86%
3	Garib Janata Dal (Secular)	15-Jun-19	Bihar Assembly Election 2015	89	92279	0.24%
4	Aap Aur Hum Party	10-Jun-19	Bihar Assembly Election 2015	16	20663	0.05%
5	Peoples Party of India (Democratic)	30-May-19	Madhya Pradesh Assembly Election 2018	27	20378	0.05%
6	Aam Janta Party Rashtriya	17-Jun-19	Bihar Assembly Election 2015	7	8387	0.02%
7	Mulnibasi Party of India	2-Jun-19	West Bengal Assembly Election 2016	14	11785	0.02%
8	Sanjhi Virasat Party	17-Jul-19	Madhya Pradesh Assembly Election 2018	11	6526	0.02%
9	Bhartiya Dalit Party	20-Sep-2019	Bihar Assembly Election 2015	4	6498	0.017%
10	Bhartiya Inqalab Party	18-Jun-19	Bihar Assembly Election 2015	4	3737	0.01%
11	Bhartiya Backward Party	29-Jun-19	Chhattisgarh Assembly Election 2013	1	1134	0.009%

Parties whose vote share details for last general election/state assembly election are not available

Vote share of Registered Unrecognised parties whose last election contested details are available on ECI website

S.No	Political Party Name	Date of Receiving in ECI	Last Election Contested	Number of Contested Seats	Total Valid Votes	Voting Share
44	Namadho Kongu Munnetra Kalagam	8-Jul-19	TN- Assembly Dr.Radhakrishnan Nagar: Bye-election on 21-12-2017 (Chennai)	1	445	0.255%
45	Socialist Party (Secular)	24-Jul-19	Lok Sabha-2014 Mainpuri: Bye-election on 13-09-2014	1	1071	0.106%

*Contested only one seat

** Date as mentioned in ECI's RTI response

Registered Unrecognised parties whose required vote share details are unavailable

- Of the remaining **24 political parties** that submitted details of donations received through Electoral Bonds to the ECI in sealed cover, the details of the last General Election to the House of the People or the Legislative Assembly of the State contested are not available on the ECI website for **11 parties**.
- There are **ten parties** which last contested in Lok Sabha elections 2019, **one party** which last contested in the October 2019 Maharashtra Assembly elections only and there are **two parties** that last contested in Delhi Assembly elections 2020. Thus, the **vote share of these 13 parties have not been considered** for analysis of eligibility to receive Electoral Bonds as the SC interim order required the submission of details of donations through Electoral Bonds upto 15th May, 2019.

Registered Unrecognised parties whose required vote share details are unavailable on ECI website

S.No	Party Name	Date of Receiving in ECI	Last Election Contested*
1	Rashtriya Samarsatta Party (Rashtriya Samrasta Party)	30-May-19	Lok Sabha 2019
2	Nirbhay Bharteey Party	30-May-19	Lok Sabha 2019
3	Right to Recall Party	30-May-19	Lok Sabha 2019
4	Garvi Gujarat Party	31-May-19	Lok Sabha 2019
5	Sabse Badi Party	03-Jun-19	Delhi Assembly 2020
6	Makkal Masotha Katchi	06-Jun-19	Not available
7	Public Party	06-Jun-19	Not available
8	Rashtriya Republican Party	07-Jun-19	Delhi Assembly 2020
9	Rashtriya Power Party	10-Jun-19	Lok Sabha 2019
10	Hindustan Action Party	11-Jun-19	Not available
11	Rashtriya Peace Party	12-Jun-19	Not available
12	Bhartiya Jan Samman Party	13-Jun-19	Lok Sabha 2019
13	Aam Jan Party (Secular)	13-Jun-19	Not available
14	Rashtriya Vyepuri Party (Rashtriya Vyapari Party)	13-Jun-19	Lok Sabha 2019
15	Kisan Party of india	17-Jun-19	Lok Sabha 2019
16	Vikas India Party	19-Jun-19	Maharashtra Assembly Election 2019
17	A.T.R. Kazhagam (Annan Tamilaga Rising Kazhagam)	27-Jun-19	Not available
18	United Front Party	04-Jul-19	Not available
19	Jay Janata Party	11-Jul-19	Not available
20	Asli Deshi Party	15-Jul-19	Lok Sabha 2019
21	Praja Congress Party	15-Jul-19	Not available
22	Bharat Prabhat Party	15-Jul-19	Lok Sabha 2019
23	Akhil Bhartiya Manavadhikar Vichar Manch Party	25-Jul-19	Not available
24	Labour Samaj Party	09-Aug-19	Not available

*In some cases, details are available for elections for which results were declared after the due date of 30 May 2019

Observations

1. As of 5th November, 2019, out of **96*** political parties that submitted their required details in sealed cover to the Election Commission of India (ECI), **only 20 parties submitted the details on or before 30th May, 2019** in compliance with the Supreme Court interim order dated April 12, 2019. Remaining **76 parties** including National parties such as **BJP, INC, CPI (M)**; State Parties such as **JD(U), BJD, AIADMK, IUML, SAD** and several Registered Unrecognised parties submitted the details after 30th May, 2019.
2. The counter affidavit dated February 3, 2020 filed by the ECI in SC has a total of **105 parties** listed. However, of these, **4 entries have unidentified address of political parties/addressee** as mentioned by the ECI in the affidavit.
3. **Ten Registered Unrecognised political parties** namely Sabse Badi Party, Rashtriya Samarsatta Party (Rashtriya Samrasta Party), Makkal Masotha Katchi, Asli Deshi Party, Nirbhay Bharteey Party, A.T.R. Kazhagam (Annan Tamilaga Rising Kazhagam), Garvi Gujarat Party, Bhartiya Jan Samman Party, Right to Recall Party and Rashtriya Republican Party that submitted their required details in sealed cover to the Election Commission of India were **registered in March and April 2019. None of these parties had contested any elections before the 2019 General Elections to Lok Sabha.**
4. There is **no list of political parties eligible to receive donations through Electoral Bonds**, as per the eligibility criteria mentioned in the Electoral Bond Scheme, 2018, **available in the public domain or on the website of the ECI.** In a reply to ADR's RTI application dated 10th October, 2019, ECI responded that it has not compiled any such list.
5. The Scheme mentions that the bond can be encashed only by an eligible political party by depositing the same in their designated bank account, **raising the question that how political parties which fail to meet the required eligibility under the Scheme have submitted details on Electoral Bonds to ECI in sealed cover.**
6. There seems to be **no scrutiny by any authority at any stage prior to redemption of Electoral Bonds by political parties** not eligible to encash bonds under the Electoral Bond Scheme, 2018.
7. The details of the last General Election to the House of the People or the Legislative Assembly of the State contested are not available for **13 Registered Unrecognised political parties** on the ECI website at the time of preparation of this report.

Recommendations

1. Electoral Bonds infringe the citizen's fundamental 'Right to Know' by withholding crucial information regarding electoral funding. Such opaqueness is at the cost of larger public interest and is a severe blow to the very fundamentals of transparency and accountability. Therefore, **Electoral Bonds Scheme, 2018 should be entirely scrapped.** In March, 2019 ADR had filed a [petition](#) in the Supreme Court against the Electoral Bond Scheme, 2018 as well as the removal of the 7.5% of the company's aggregate profits limit to donate to the political parties. The SC interim order of 12th April, 2019 stated that the rival contentions give rise to weighty issues which have a tremendous bearing on the sanctity of the electoral process in the country. Though **96* parties have submitted their response to the ECI to date, the SC is yet to give the next date of hearing on the matter.**
2. In the case of continuance of the Scheme, the **principle of anonymity of the bond donor** enshrined in the Electoral Bond Scheme, 2018 **must be done away with.** All political parties which receive donations through **Electoral Bonds should declare in their Contributions Reports the total amount of such donations received in the given financial year**, along with the detailed particulars of the donors as against each Bond; the amount of each such bond and the full particulars of the credit received against each bond. The procedures and reporting framework for the above must be standardized to ensure that a true picture of the financial position of the political parties is revealed to the general public.

**Excludes submissions by 3 state units of National Parties and 4 unidentified submissions; & 2 Registered Unrecognised parties (Bharatiya Rashtriya Morcha & Rashtriya Republican Party) with names repeated against two different receiving dates were counted once.*

3. A **list of all political parties eligible to receive donations through Electoral Bonds** as per the eligibility criteria mentioned in the Electoral Bond Scheme, 2018 should be compiled and regularly updated on the basis of the vote share secured by the parties in the last General Election to the House of the People or the Legislative Assembly of the State contested. This list **must be made available in the public domain** through the **websites of the ECI, the State Bank of India (SBI)** and **hard copies** of the same shall also be **available at the 29 branches of SBI authorised for the sale of Electoral Bonds**.
4. **Political parties** that remain **inactive over a prolonged period, do not take part in any election and continue to receive donations through Electoral Bonds should be de-listed by the ECI** from time to time to ensure that such parties are unable to benefit from the Electoral Bond Scheme, 2018.
5. The **ECI should be entrusted with the responsibility to oversee that no political party ineligible to receive donations through Electoral Bonds** in accordance with the Electoral Bond Scheme, 2018 **is able to encash these bonds**.
6. It is unclear whether these **42 political parties** ineligible to receive donations through Electoral Bonds have encashed the bonds. **Political parties which have encashed the Electoral Bonds should be penalised**.
7. All **National and Regional political parties must provide all information on the funds received through Electoral Bonds under the Right to Information (RTI) Act**. Full details of all donors should be made available for public scrutiny under the RTI.

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Disclaimer

All information in this report has been taken from the website of Election Commission of India, its counter affidavit filed with the Supreme Court of India and EC's responses to RTI applications. ADR does not add or subtract any information, unless the EC changes the data. In particular, no unverified information from any other source is used. While all efforts have been made to ensure that the information is in keeping with what is available in the ECI website, in case of discrepancy between information in this report and that given in the ECI website, the information available ECI website should be treated as correct. Association for Democratic Reforms is not responsible or liable for any damage arising directly or indirectly from the publication of this report.

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