

ELECTION COMMISSION OF INDIA
Nirvachan Sadan, Ashoka Road, New Delhi-110001

76/PPEMS/Transparency/2013

Dated: 19th November 2014

To

1. The President/General Secretary
of all political parties
2. The Treasurers of all Political Parties

Subject: Clarification of transparency guidelines for the political parties issued by Election Commission of India on 29.8.2014 - matter reg.

Madam/Sir,

Kindly refer to Commission's letter No. 76/PPEMS/Transparency/2013 dated 29.8.2014, wherein the Commission issued transparency guidelines for the political parties invoking Article 324 of the constitution. Representations have been received from a few parties raising doubt about the powers of the Commission and asking for clarifications on certain issues. After considering the representations, the following issues are hereby clarified:

1. Under Article 324 of the Constitution, the Commission has plenary powers and also sacred duty, to conduct free and fair elections in the country. Of late, the increasing use of Black money in election campaigns has been noticed and is causing serious concern all around. The use of black money in elections disturbs the level playing field and vitiates the purity of election process. Therefore, there was need to issue the transparency guidelines, in order to protect the purity of election process and for conduct of free and fair elections, as enshrined in the Constitution. There was legal vacuum in this area, which can be filled by the Election Commission of India as held by the Hon'ble Supreme Court in Mohinder Singh Gill vs CEC (AIR 1978 SC 851).
2. The guidelines have been framed after due consultation with all recognized political parties. The lawful instructions, thus issued by the Commission under Article 324, are binding on all political parties and their violations shall affect the transparency of election process which is the bedrock of a democracy.
3. The instruction to political parties to file Annual Audited Accounts with the Commission is essential for maintaining transparency in the functioning of political parties, which is an essential ingredient for conduct of free and fair election. The direction to maintain the name and address of the individuals, companies and entities making donations to the political parties is intended to ensure that no funds

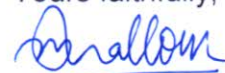
are received by the political parties from prohibited sources as stipulated in section 29B of the R.P. Act 1951. However, the Commission is alive to the practice of raising funds by political parties through hundi/bucket collection in public meetings/rallies, where it is not possible to record the name and address of the donors. Therefore, the Commission has exempted such collections from the ambit of the above instruction. In case of all donations other than those raised through hundi/bucket collection in a public meeting/rally, the record of name and address of each donor has to be maintained by the political party, as is done by all other social/civil society/organizations.

4. The cash received by political parties has to be deposited in its bank accounts within a period of 10 working days excepting the amount required to defray its day-to-day expenses. It is clarified that the total amount of cash in hand of a registered political party for the purpose of defraying its day-to-day expenses shall not normally exceed the average monthly cash expenditure of the party during the last financial year.

5. All political parties are required to submit their election expenditure statement before the ECI within 75 days of assembly election or 90 days of Lok Sabha elections as stipulated by the Election Commission of India in pursuance of the order of the Hon. Supreme Court and it is thus required that the parties file their true and correct statement of their election expenses within the stipulated time limit. Since all the political parties and candidates are having bank accounts and also the banks have extended services to foster inclusiveness, all parties shall make payments in excess of Rs.20,000 to a person or entity on a single day by account payee cheque or draft or by account transfer excepting the payments, mentioned in para (IV) of the said Transparency Guidelines. This will help in curbing excessive flow of cash during elections and will bring in transparency in the election expenditure of the parties.

6. It has been the endeavour of the Commission to maintain level playing field for all political parties and all candidates during elections. In the interest of conduct of free and fair elections, all parties are required to follow the transparency guidelines issued by the Commission, and violation of lawful direction of the Commission may entail action, as envisaged under para 16A of the Election Symbols (Reservation and Allotment) Order, 1968.

Yours faithfully,



(Malay Mallick)

UNDER SECRETARY