

SC to soon take up case against poll bonds scheme.

Chief Justice of India N.V. Ramana on Tuesday told advocate Prashant Bhushan that the court had wanted to take up a long-pending challenge against the government's electoral bonds scheme, but the COVID-19 pandemic played spoilsport in the matter.

Mr. Bhushan, who represents the petitioner Association for Democratic Reforms, informed the CJI that the case had been pending for a year without a hearing.

Unlimited donations

The electoral bonds scheme and amendments in the Finance Act of 2017 allows for "unlimited donations from individuals and foreign companies to political parties without any record of the sources of funding".

The exchange between the Chief Justice of India and the lawyer happened when the latter made an oral mentioning for early listing of the case for hearing.

"Let us see, we will take up the matter," the Chief Justice said. Mr. Bhushan had similarly sought an urgent hearing last October.

Transparency in funds

The government has, however, justified the scheme, saying it will promote transparency in funding and donation received by political parties. It had defended the scheme as a measure to eradicate black money in political funding.

"They [bonds] can be encashed by an eligible political party only through their bank accounts with the authorised bank. The bonds do not have the name of the donor or the receiving political party, and only carry a unique hidden alphanumeric serial number as an in-built security feature," the government's 21-page affidavit had said.



The government had described the scheme as an “electoral reform” in a country moving towards a “cashless-digital economy”.

Anonymity legalised

However, the Election Commission of India filed an affidavit in 2019, saying the government’s scheme for political funding has legalised anonymity.

Electoral bonds protect the identity of political donors and parties receiving the contributions.

Donors who contribute less than ₹ 20,000 to political parties through purchase of electoral bonds need not provide their identity details, such as Permanent Account Number (PAN).

Expected Question (Prelims Exams)

Q. Consider the following statements.

1. Electoral bonds are issued by notified banks.
2. Political party has to encash electoral bonds into the account which is registered with the Election Commission of India.

Which of the above statements is /are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) None

Expected Question (Mains Exams)

Q. Discuss the various features of and issues related with electoral bond scheme.?

(250 Words)

Note: - The question of the main examination given for practice is designed keeping in mind the upcoming UPSC main examination. Therefore, to get an answer to this question, you can take the help of this source as well as other sources related to this topic.