

LOK SABHA
UNSTARRED QUESTION NO.1834
ANSWERED ON -02.03.2020

‘Collection of Party Funds’

1834. SHRI ANUMULA REVANTH REDDY:

Will the Minister of FINANCE be please to state:-

- (a) The details of complaints against political parties related to collection of party funds in the last three years, party-wise along with the action taken thereon;
- (b) The details of specific cases of such complaints and the action taken related to the State of Telangana;
- (c) Whether the Government has taken meticulous steps for establishing a transparent political funding system in the country and if so, the details thereof;
- (d) Whether the Government is mulling to have State funding of elections as recommended by the Indrajit Gupta Committee; and
- (e) If so, the details thereof and if not, the reasons therefor?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ANURAG SINGH THAKUR)

(a) & (b) The Government has been informed by the Election Commission of India (ECI) that no such complaints against any political parties related to collection of party funds has been received in the Election Commission of India (ECI) in the last three years. However as per the High Court direction vide order dated 19.1.2018 against CM No.1453/2018 and W.P (C)526/ 2018 between Shri Anumula Revantha Reddy versus Election Commission of India, a letter from Garikapati Mohan Rao, MP (Rajya Sabha) enclosing therewith representation dated 18th July, 2017 from Shri A. Ravanth Reddy MLA, working President, Telugu Desam Party, Telanagana had been dealt in the Commission. In the said representation, Shri Anumula Revanth Reddy has made complaint against Telangana Rashtra Samithi Party for collecting large sums of money from individuals, institutions and associations in return of undue favour from TRS party under the mask of Bangaru Kuli.

The Commission vide its letter No.56/Complaint/2017/PPEMS dated 12th February, 2018 informed the petitioner that the issues raised, as submitted in the High Court of Delhi, had been examined. Shri Anumula was advised to take up the issues raised by him in the representation dated 18/7/2017 and in the W. P. with the police authorities in the state or with the Income Tax authorities. Further, Shri Anumula Revanth Reddy vide letter dated 18/12/2018 and 31 December, 2018 has again raised the issue before the Election Commission and has requested for a copy of the letter forwarded to Central Board of Direct Taxes relating to BangaruKuli and copies of the Contribution and Audit report of TRS Party for Financial year 2017-18. The

Election Commission vide its letter No.509/2/2018-RCC dated 5th February, 2019 forwarded these complaints to Central Board of Direct Taxes and informed Shri Anumula Revanth Reddy. Shri Anumula vide his letter dated 20 November, 2019 referred to Commission's letter dated 12/2/2018 and has requested to furnish action taken report. The Commission vide its letter dated 17th February, 2020, informed the petitioner that the issue may be taken up with the concerned authorities i.e police and Income Tax Department

(c) In order to discourage the cash transactions and to bring in transparency in the sources of funding of political parties, the Govt. has amended provisions of Section 13A of the Income Tax Act, 1961 vide Finance Bill, 2017 and limited anonymous cash donations to ₹2,000/-. The Government has introduced the "Electoral Bond Scheme 2018" vide Notification No.S.O.No.29 (E) dated 2/1/2018 to establish a transparent political funding system in the country with well established audit trail.

(d) & (e) The Election Commission has informed the Government that it is not in favour of State Funding as it will not be able to prohibit or check candidates own expenditure or expenditure by others over and above that which is provided for by the state. The Election Commission's view is that for addressing the real issues, there have to be radical changes in the provisions regarding receipts of funds by political parties and the manner in which such funds are spent by them so as to provide for complete transparency in the matter.
