



E – Volve

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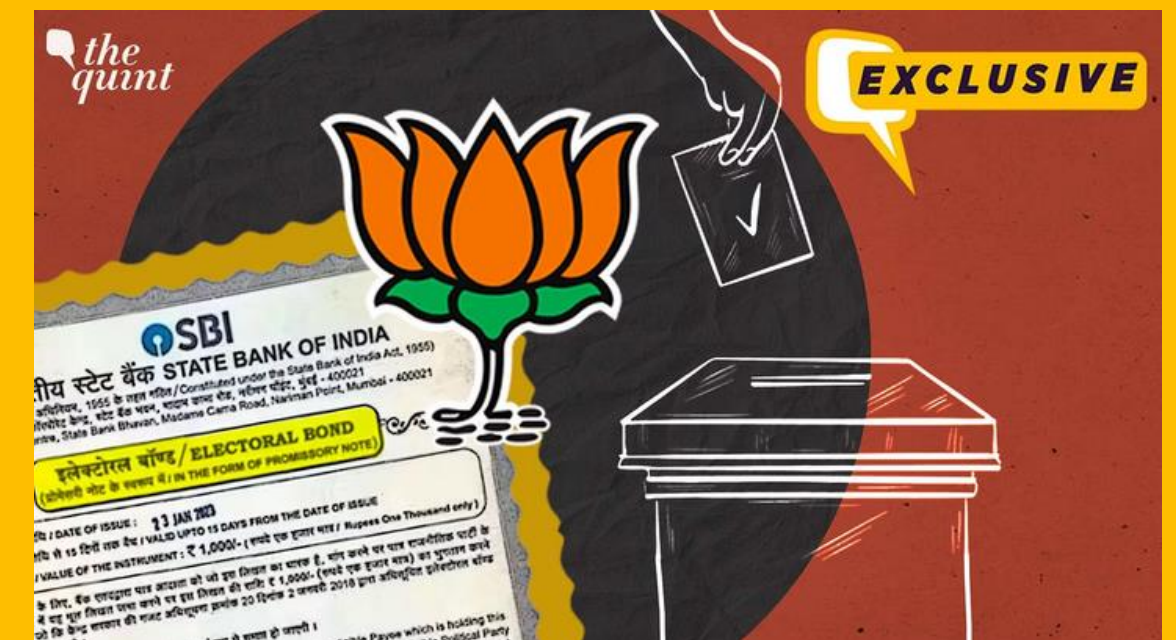
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Electoral Bonds

All major parties encashed electoral bonds; nobody has moral authority to say anything, says Finance Minister



Why is Electoral Bonds?

To buy these bonds, you must meet the KYC norms laid down by the RBI.

✓ **Electoral bonds are promissory notes that can be purchased by Indian citizens or organizations to donate to registered political parties**

✓ **Issued by the State Bank of India (SBI) to authorized branches, and can be purchased singly or jointly with other people**

✓ **Validity for 15 calendar days from the date of issue.**

✓ **Only political parties registered under Section 29A of the Representation of the People Act, 1951, are eligible to receive these bonds**

Who can purchase an Electoral Bond?

- **Individuals or entities can buy electoral bonds from specified branches of authorized banks.**
- **Electoral bonds are available for purchase during specified periods.**

Who can purchase an electoral bond?

The infographic lists six categories of eligible purchasers for electoral bonds, each with a corresponding icon:

- AN INDIVIDUAL CITIZEN**: Represented by an icon of a single person.
- HINDU UNDIVIDED FAMILY**: Represented by an icon of a family group.
- COMPANY**: Represented by an icon of a skyscraper.
- FIRM**: Represented by an icon of a grid pattern.
- AN ASSOCIATION OF PERSONS**: Represented by an icon of two people.
- OTHER PERSONS OR AGENCIES**: Represented by an icon of a star.

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IMPORTANCE AND OVERVIEW OF Electoral Bonds

How An Electoral Bond Works

01

Notified banks are chosen

02

The notified bank issues electoral bonds

03

The donor buys an electoral bond using a cheque/digital payment

04

The donor gives the party of his/her choice the bond within the specified timeframe

05

The party deposits the bond in an account, the details of which are with the Electoral Commission

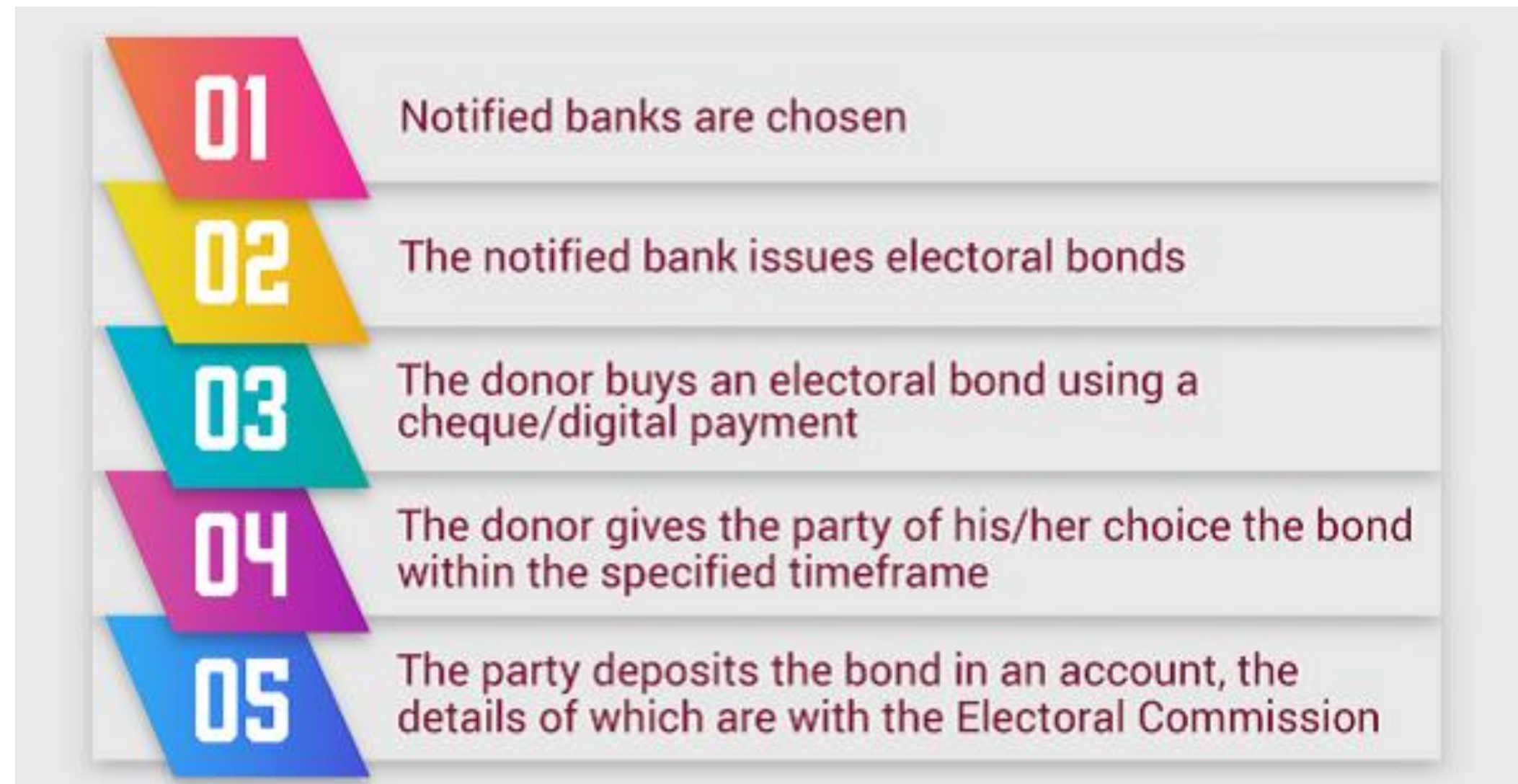
These bonds are sold in multiples of Rs 1,000, Rs 10,000, Rs 1 lakh, Rs 10 lakh, and Rs 1 crore.

- Political parties that secured at least 1% of the votes polled in the recent Lok Sabha or State Assembly elections and are registered under the RPA can get a verified account from the Election Commission of India (ECI). The bond amounts are deposited in this account within 15 days of their purchase.
- Electoral bonds are available at some branches of SBI. A donor having a KYC compliant account can purchase the bonds and can donate to a political party or individual of their choice. The receiver collecting electoral bonds can encash the bonds through the party's verified account. However, the validity of electoral bonds is valid only for fifteen days.

How Electoral Bonds

Works

1. Issuance
2. Purchase
3. Donations
4. Redemption



Top Buyer's Of India's Electrol Bonds

- Future Gaming and Hotel Services
- Megha Engineering and Infrastructures Ltd.
- Qwick Supply Chain Pvt. Ltd.
- Vedanta Ltd.
- Haldia Energy Ltd.
- Essel Mining and Industries Ltd.
- Western UP Power Transmission Co Ltd.
- Bharti Airtel Ltd.
- Keventer Food Park Infra Ltd.
- MKJ Enterprises Ltd.

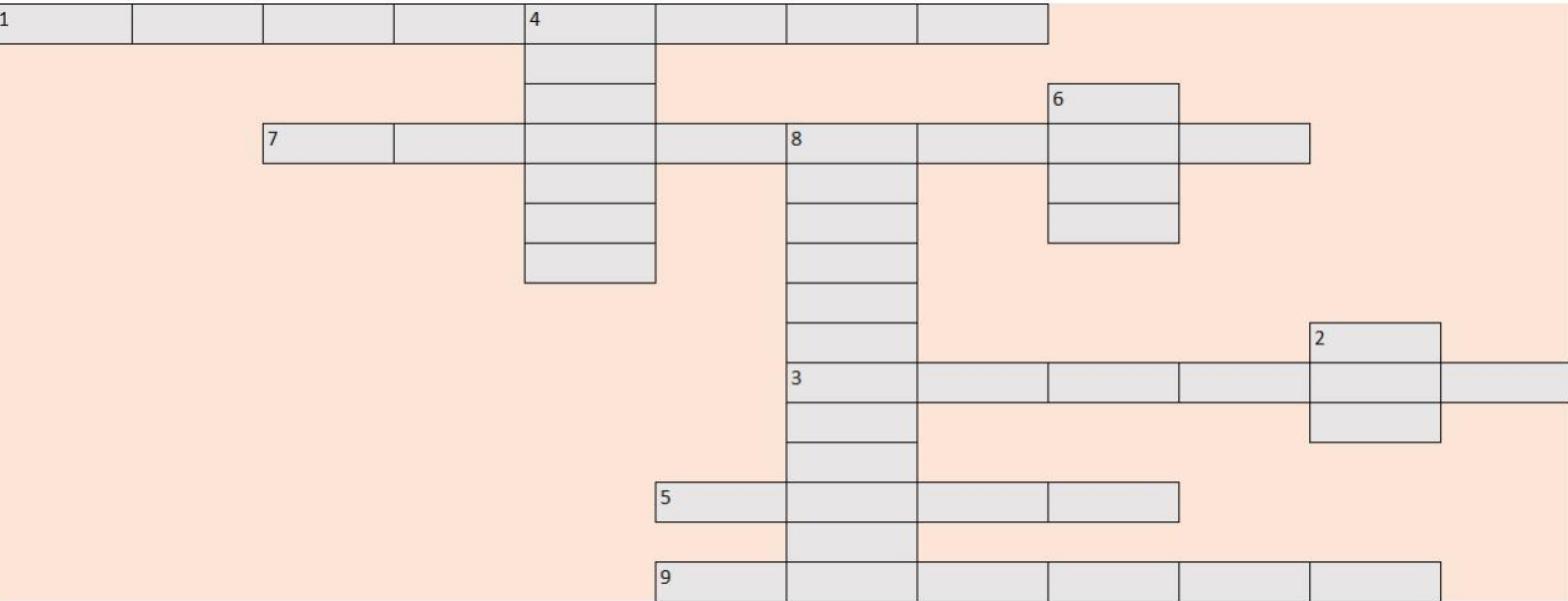
Top buyers of India's Electoral Bonds

The Election Commission of India released the list of all buyers of the country's electoral bonds scheme, following the Supreme Court's direction. The scheme allowed corporates and individuals to donate to political parties anonymously.

List of the top 20 bond buyers (donors) between April 2019 and Jan. 2024 – In Billions of rupees

Future Gaming And Hotel Services	13.68
Megha Engineering and Infrastructures Limited	9.66
Qwik Supply Chain Private Limited	4.1
Vedanta Limited	4.01
Haldia Energy Limited	3.77
Essel Mining and Industries Ltd	2.25
Western UP Power Transmission Company Limited	2.2
Bharti Airtel Limited	1.98
Keventer Food Park Infra Limited	1.95
MKJ Enterprises Limited	1.92
Madanlal Limited	1.86
Yashoda Super Speciality Hospital	1.62
Utkal Alumina International Limited	1.45
DLF Commercial Developers Limited	1.3
Jindal Steel and Power Limited	1.23
B G Shirke Construction Technology Private Limited	1.19
Dhariwal Infrastructure Limited	1.15
Avees Trading & Finance Private Limited	1.13
Birla Carbon India Private Limited	1.05
Chennai Green Woods Private Limited	1.05

GAME



Clues:

Across

1. The process of selecting public officials to hold office.
3. A regulatory body overseeing electoral activities
7. Financial support provided to political parties without disclosing the donor's identity.
5. Secure monetary instruments used for making political donations.
9. Formal rules and regulations guiding electoral processes.

Down

4. Currency notes offered to political parties for electoral funding.
6. The official term for the financial entity that manages electoral bonds.
2. Abbreviation for the statutory body regulating electoral funding.
8. The principle underlying electoral bonds, emphasizing anonymity.

Article By Student

The Fall of Electoral Bonds: A Turn Towards Transparency in Indian Politics

In a historic verdict that reverberated through the corridors of power and the avenues of corporate India, the Supreme Court declared the Electoral Bond Scheme (EBS) unconstitutional, marking a pivotal moment in the country's ongoing struggle for transparency and accountability in political funding. This landmark decision, alongside the annulment of certain amendments to section 182 of the Companies Act, 2013, has sparked a widespread debate on the future of political contributions and the overarching impact on corporate governance and transparency.

Understanding the Electoral Bond Scheme

Introduced in 2017 as part of the financial bill, the Electoral Bond Scheme was the government's attempt to cleanse the opaque system of political donations, aiming to reduce cash contributions while enhancing transparency. Through this scheme, individuals and corporations could purchase bearer bonds from the State Bank of India and donate them anonymously to political parties. These bonds, available in denominations ranging from ₹1 lakh to ₹1 crore, were hailed for promoting donations through banking channels, thereby reducing the influx of black money into the political arena.

Despite its intentions, the scheme soon found itself at the heart of controversy, primarily due to its provision for anonymity. Critics argued that it allowed for unlimited, untraceable donations, potentially leading to a quid-pro-quo scenario between donors and political beneficiaries. This concern was magnified by the Supreme Court's observation that the scheme's anonymity clause violated Article 19(1)(A) of the Right to Information Act, as it deprived voters of essential information regarding political funding.

The Aftermath of the Verdict

The Supreme Court's decision to strike down the EBS has been hailed as a significant victory for transparency. By highlighting the scheme's potential for abuse, particularly in facilitating money laundering through shell companies and enabling loss-making entities to contribute unlimited sums, the judiciary has underscored the importance of accountability in political financing.

Data released by the Election Commission in the wake of this ruling sheds light on the scale of contributions, with top corporates like Future Gaming and Hotel Services PR, Megha Engineering And Infrastructures Limited, and Vedanta Limited among the major donors. The disclosure of these contributions, previously shrouded in secrecy, represents a step towards greater transparency in the electoral process.

Implications for Corporate Governance and Political Funding

The verdict raises critical questions about the future landscape of political contributions in India. Companies, which had relied on the anonymity of electoral bonds to safeguard against potential backlash or favouritism, must now navigate a new terrain where contributions are public knowledge. This shift could lead to a more cautious approach towards political donations, emphasizing the need for robust corporate governance practices that prioritize ethical considerations over political expediency.

Furthermore, the ruling serves as a reminder of the delicate balance between the right to privacy and the public's right to information. By prioritizing the latter, the Supreme Court has reaffirmed the foundational principle of democracy that informed voters are indispensable to the electoral process.

**Views are Personal Written By
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