

# Transfer of Entire Wealth of our Nation to Corporate Forces – Electoral Bonds

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A five-judge Constitution bench led by Chief Justice of India, DY. Chandrachud, unanimously struck down the Electoral Bond scheme on February 15, 2024. The verdict states that the scheme is unconstitutional and violates the right to information of voters. Further, the court directed that the sale of electoral bonds be stopped immediately. In addition, the SBI is directed to submit to the Election Commission of India the details of the donors of electoral bonds and the political parties that received them. The ECI should publish this data on its official website to enable the public to view the information. The ECI placed the data on its official website on March 15, 2024, in regard to the encashed Electoral Bonds from April 12, 2019 to January 24, 2024. Thus, the data is made known to all. The Central Government has implemented EBS since January 2018, stubbornly amidst protests, resistance, and challenges in the Supreme Court by people, people's organisations, and left parties. A deep analysis of the election system will reveal the true aim of electoral bonds. Transparency has been a great lie in the collection of election funds since the beginning. Contrarily, the BJP government says that electoral bonds are for transparency, whereas several democratic organisations could disclose the data with evidence that the EBS is the biggest scam in the world. Because it is legalising black money systematically. They could show that the present government has introduced the biggest corrupt system in the name of abolishing corruption. Despite these facts, the government still says that the EBS eradicates black money and is demanding the Supreme Court review the verdict of scrapping the EBS. This disturbs us all seriously.

The ruling party will get funding to meet ever growing election costs from domestic and foreign monopoly corporations that could accumulate excessive wealth. The comprador bourgeoisie governments that come into power with these funds naturally serve imperialist forces. They formulate and implement anti-people policies in the Parliament and State Assemblies for the interests and dominance of corporate forces, transferring entire nations wealth to monopoly capital. This process will maximise the life crisis of the majority. The scam of electoral bonds should be examined in this framework.

The Electoral Bonds Scheme was announced in Central Budget 2017-18 and has been implemented from January 2018 onwards. As per the study of the Association of Democratic Reforms (ADR), the donations through electoral bonds were as high as Rs. 16,710 crores by

November 2018. The share of the ruling BJP party is 90 percent. The contestant should spend excessively by violating all the legal norms and limits to come into power, which has become normal. Thus, the “law violation” is necessary to come into power to “protect the law.” This is the present state of democracy.

It is to be noted that the election costs of the 2019 national elections are two times higher when compared to those of 2014. They are highly expensive in the world, with \$ 8.6 billion, as per the estimation of the Delhi - based Centre for Media Studies. The BJP came into power with the highest election costs and won a large majority. The enormous quantum of election donations is necessary to come again into power. The corporate forces will provide abundant election donations to the government that work for their interests. Thus, the pro - corporate ruling parties will come into power and become comprador bourgeoisie governments. In this process, electoral bonds came into existence on the pretext of transparency and the eradication of black money. The Electoral Bonds scheme is formulated in the framework of providing no information to people and opposition parties about who will give, how much, and to whom, their mutual interests, and various forms of transferring national wealth to monopoly capital.

### **Electoral Bonds Scheme:**

We all know that this scheme was declared in the Union Budget 2017-18 and implemented in January 2018. The limit on cash donations has been decreased from Rs. 20,000 to Rs. 2,000 as cash donations raise black money. Individuals or companies can purchase electoral bonds from the State Bank of India. They are interest-free and tax-free. The purchased bonds will be given to their preferred party for encashment. This ensures the secrecy of the donor. Otherwise, the donor will be victimized, the government says. Further, it states that secret donations are equal to secret ballots. The government also says that the right to information is not an absolute right. Therefore, the government has amended Section 8(1) of the RTI Act to protect the right to life of corporate forces that purchase electoral bonds. However, the information will be available to the government as SBI is a public sector bank, but the secrecy is for people and opposition parties.

The government states that its aim is transparency, but it is shown as Money Bill to avoid to introduce in Rajya Sabha and violated many norms of Parliament especially 110 article of our Constitution. Further, it has amended section 31 of the RBI Act, 1934 and inserted clause 3. Thus, the power is transferred from RBI to the Central Government to direct SBI to issue electoral bonds.

The amendment to Section 182 of the Company Act, 2013 removed the following conditions - 1) The donor company should have been in existence for the last 3 years. 2) The donations should not exceed 7.5 percent of average net profits for the last 3 years. 3) The board of directors should take a resolution as to the amount of donations. 4) The donations should be declared in the company's profit and loss account. Now, the company can give an unlimited amount of donations to political parties and is not accountable to its own shareholders.

The amendment to Section 2(1) (i)(vi) of the FCRA Act allows foreign companies that have majority shares in Indian companies to give donations. Therefore, for the past 10 years, permissions have been aggressively increased for 100 percent foreign direct investments in several sectors and industries. Thus, all these amendments will ensure the secrecy of unlimited donations to political parties from domestic and foreign monopoly capital.

The amendment to Section 29-C of the Representation of People's Act, 1951, exempts and relieves the political parties from the responsibility of disclosing the contributions received through electoral bonds to the Election Commission of India. The amendment to Section 13A of the Income Tax Act, 1961, exempts the political parties from maintaining records as to the details of donations through electoral bonds.

### **Electoral Bonds - Ruling Political Party:**

As per the ADR study, the donations from electoral bonds during 2018-2023 were to the tune of Rs. 13,792 crores. Among them, as high as 94 percent are the bonds of the Rs.1 crore denomination. It reveals that all these donations are from corporate forces. Only in 2019-20 the donations from electoral bonds are to the extent of Rs. 3,429 crores, and the share of the BJP is 76 percent, i.e., Rs. 2,606 crores. In the same year, the political donations from unknown sources were Rs. 2,642.03 crores and the share of BJP was 78.24 percent. During April 2019 to the date of abolition in 2024, the donations from electoral bonds were Rs. 22,217 crores, and the share of the BJP was more than 52 percent. All this clearly shows the mutual interests between the government and the corporate forces. Therefore, the Confederation of Indian Industries, the Federation of Indian Chambers of Commerce and Industries, and ASSOCHM strongly feel that the information available to the public is dangerous, so they requested the Supreme Court not to direct ECI to publish it on its official website.

Only three days prior to the verdict, the Ministry of Finance directed the SBI to issue 10,000 electoral bonds of Rs. 1 crore in denomination. After two weeks of judgement, it has ordered SBI to hold the printing of electoral bonds. It is important to note that since the beginning, the burden of the cost of printing and maintaining electoral bonds has been thrown on the people by imposing taxes.

### **Electoral Bonds - Shell Companies - Money Laundering:**

The electoral bonds are transferrable, i.e., anyone can purchase them on behalf of anyone. The purchaser might be different from the actual contributor. Therefore, shell companies will emerge as fronts for big corporate industries exclusively for the purpose of purchasing electoral bonds. The black money will be legalized, and there will be a drastic rise in money laundering. The joint analysis made by the Hindu daily paper and one independent research group clearly reveals it. The aggregate net losses of 33 companies during 2016-17 and 2022-23 exceeded one lakh crore rupees, but they could purchase Rs. 576.2 crore worth of electoral bonds. The BJP's share is 75 percent. Is it not the case with money laundering? During the same period, six companies purchased Rs. 646 crores in electoral bonds, which is excessively higher than their profits. This clearly reveals the fact that they are shell

companies and fronts for giant corporates. The BJP's share is 93 percent. It is really surprising to notice that few companies have purchased just after a few months of their establishment.

The scheme, in fact, increased money laundering. The Ministry of Finance recognised 19 companies in the risk category from the viewpoint of money laundering. They together purchased Rs. 2,717 crores in electoral bonds. As a result, 18 out of 19 companies were removed from the risk list. This clearly states that the government itself is strengthening money laundering.

### **Electoral Bonds - Government Policies - Handing over Nation's Wealth to Monopoly Capital:**

The government works in the interests of corporate forces. The formulation and implementation of various policies and the amendments and abolition of various acts under the name of "Ease of Doing Business" aim at this. The corporate tax is decreased from 35 percent to 23 percent in the 2017-18 Central Budget, in which the electoral bond scheme is announced. The tax reduction resulted in the loss of tax revenue to the extent of Rs. 6.27 lakh crores in just two years, i.e., 2019-20 and 2020-21. To fill up the gap, high rates of GST are imposed on the goods used by low and middle-income groups; privatise the public sector enterprises as cheaply as possible; handover all the minerals, coal, the entire transportation sector, and finally the space sector to corporate forces; implement asset - monetisation programmes; and formulate black farmer laws. Monopoly capital requires a government that works exclusively for them. Therefore, they give unlimited election donations to make the party win elections. The electoral bond is an economic instrument to attain this goal.

The stock analysts will always recommend a good future for the company shares that have donated. The 'secret' donor companies expect allotment of valuable land at cheaper rates. The sectors that are under fierce government regulations, like real estate and finance services expect the relaxation of regulations. Moreover, the donations are closely related to the allotment of various projects, which yield thousands of crores of profits. For this, the government will not hesitate to throw the majority into critical situations. The monopoly corporates will compete with one another to give high donations to raise their affluence and dominance through high exploitation. They formulate electoral trusts. Still, the government uses the institutions of ED, IT, and CBI to launch attacks on companies to extract more and more donations. This fact is revealed by the study by Independent Media Group.

India Bulls could enter the insurance sector. DLF Company collaborated with US-based property firm Hines and got permission to construct a commercial real estate project on 11.76 acres of land in Gurgaon. Bharti Airtel, which lost its share in the mobile phone market to Reliance Jio, could get a 10-year license to sell Infright and Maritime Broadband. The flagship firm of Aditya Birla Group, Minor Grasim Industries, caught in the dividend distribution tax dispute of Rs 5,872 crore, has been awarded an interim stay and guaranteed

status quo. The Gujarat-based sister firms Torrent Pharma and Torrent Power could get 28,000 sq yards only at the rate of Rs. 1.2 lakhs per sq yard in Ahmedabad and get licenses for power distribution in Dovera, a Special Investment Region. The ECI repeatedly warns that the political parties should not accept donations from Janhit Electoral Trust, which belongs to Vedanta's Tuticorin-based Sterlite Copper, because of the incident involving the deaths of 13 people in police firing in 2018. Still, the BJP accepted the donations from it. Moreover, Vedanta Company Ltd. is the fifth biggest donor. Megha Engineering and Infrastructures Limited is the second-highest donor. This is a Hyderabad-based firm. It could get the prestigious Zojilla -Tunnel deal, the All Weather Road Tunnel in Jammu and Kashmir, the Polavaram project in Andhra Pradesh, the Kaleshwaram Project in Telangana, and various projects in Tamil Nadu, Gujarat, Madhya Pradesh, and Uttarakhand.

The Electoral Bonds have become a powerful tool to hand over valuable and scarce land, minerals, public sector undertakings, various projects, and the entire wealth of our nation to monopoly capital, to give licenses and to give clean chit for various crimes committed by the companies. The scheme clearly shows the hollowness of the so-called "Efficiency of Monopoly Corporates." However, the scheme emerged as a solution to their crisis. This kind of verdict will come now and then only to raise the confidence of people in the system of democracy. This is not new to the rulers.

The Electoral Bonds Scheme became a source for the election of a government that works for the interests of corporates, throws the majority of people into a critical crisis, and transfers the entire wealth of our nation to monopoly capital. However, the verdict of the Supreme Court should be cherished. The collective and consolidated struggles of people are necessary for the emergence of real democratic governments that really work for people.