World Journal of Law
www.worldlawjournal.com
Online ISSN: 3107-8877
Received: 15-02-2026, Accepted: 18-03-2026, Published: 02-04-2026
Volume 2, Issue 2, 2026, Page No. 5-18

The tax, transparency, and democracy dilemma: A comparative analysis of electoral bonds in India

Vikas kabeer
Assistant Professor, School of Law, MVN University, Palwal (NCR), Haryana, India

Abstract
Electoral bonds, issued in India only in 2018, has already made considerable changes to the situation in political financing. As a tool meant to maintain clean and qualitative funding in political parties, electoral bonds drew quite some flak for making political funding less transparent and more corporate-dominated. In the same way, although electoral bonds seek to curb the effects of black money in the political system and provide tax exemptions under the Income Tax Act, it is highly opaque and even breeds tax fraud and other vices. This paper discusses the effects of electoral bonds in corporate political contribution, their role in increasing transparency and impact on democracy. In this paper we consider the tax obligations of electoral bonds, more specifically, we look at the impact of electoral bonds both to the Party Donor and to the Political Parties and examine the concept of electoral bonds and the involvement of shell companies in the political financing system of India. In the assessment of this study, electoral bonds are viewed to limit democratic processes or fulfil their role depending on prior evidence, reports and case studies.

Keywords: Electoral bonds, corporate political contributions, tax liabilities, shell companies

Introduction

Campaign and party financing is an important aspect of politics in today's world where it provides finance for campaigns, outreach and for the expression of political agendas. But it also imposes questions regarding the corrupting effect of money in the policy-making as well as in the management of the government [1]. In the year of 2018 the electoral bonds were launched by the India government is a new way to solve the problems regarding the political financing. This was to allow the parties to be funded by the donors during polls while at the same time protecting identity of the donor [2].

Donations from business corporations, usually considered major sources of party funding, have always been linked to such issues as influence-peddling, corruption and accommodation arrangements. Electoral bonds have been a more recent attempt to regulate the political funding in the country and many expected it to work well [3]. This paper explores the extent to which these electoral bonds have been effective in achieving their intended goal or have even worsened issues to do with secrecy and corporate control.

In democracies across the globe, campaign financing particularly from the business has traditionally been considered as the shadowy enterprise and the policy makers bowing more to the demands of their campaign financiers. Electoral bonds were initiated in India as a system to bring change in political funding by allowing anonymous donation to it by the public and companies [4]. The following section gives a brief understanding of the meaning and concept of electoral bonds, purpose of issuing these bonds and aims and objectives of this research paper.

Electoral Bonds: Background and Mechanism

Electoral bonds were proposed in 2017 budget session by India's Government and introduced in 2018 through Electoral Bond Scheme. They are bearer bonds purchasable from SBI branches and can be donated to recognized political parties [5]. The key characteristics of electoral bonds are: It is also important to notice that the donors' identities do not reveal themselves because the political parties are not legally bound to report the individuals who made the contributions. Bonds can be bought in at particular times only in some cases (they are usually four times a year). Electoral bonds can be donated to only the political parties which are registered under section 29A of the Representation of the People Act, 1951 and which have not less than 1 per cent of the total votes polled in the latest general election [6].

Electoral bonds make clean political funding through the banking system less risky for cash donations to be branded as 'black money'. Transparency and credibility are raised questions about anonymity of donors [7].

Meaning & Objectives of Electoral Bonds

Although Electoral bonds haven't been defined anywhere in the Indian law, yet according to various reputed writers and researchers, the definition of electoral bonds is as follows:

- **Vajiram & Ravi:** "Introduced by the Finance Bill 2017 and notified on January 29, 2018, electoral bonds are a form of anonymous donations to political parties. Electoral bonds can be bought from SBI by the individual or entity [8]."

- **The Hindu:** "The electoral bonds will be interesting free bearer instruments (like Promissory Notes) that will be on sale to the State Bank of India from a specified window of 10 days in every quarter in the fiscal year [9]."

- **Business Standard:** "Electoral bond is akin to a promissory note — bought by any Indian citisen or company incorporated in India from select branches of State Bank of India. This can then be donated to any eligible political party of choice by the citisen or corporate [10]."

- **Ministry of Finance:** "Electoral bond shall mean a bond which shall be a bearer banking instrument and shall not carry the name of the buyer or payee; but shall be issued in the nature of Promissory Note [11]."

On the basis of above-mentioned definitions, we can simply say that Electoral bond is a sort of promissory note for political party donations to elections. Secret donations from groups, companies and individuals to favored parties are allowed under a 2017 budget that was implemented in 2018. It was introduced around the time, Traditional practice of donations from public, businessmen and industrial houses its creation, to ensure anonymity of the donors much like the voting process; introduction of Electoral Bonds in 2018, allows political parties to accept secret donations from different groups, companies and individuals. This was in response to the long-standing tradition of the general public, business men and industrial houses making donations to political parties. Similar to the secrecy of voting the scheme ensures donor anonymity.

The stated objectives of electoral bonds include

1. The idea behind this move was that the government wanted to eradicate the culture of people donating cash which is usually associated with lots of corruption.
2. When the donations go through the banks, a clear track of documentation was supposed to be created, hence providing an opportunity for increased transparency [12].
3. With the electoral bonds, the acts of donating for the political parties by the corporations were given a proper channel and were also secured so that they could not be blackmailed or threatened to withdraw their support.
4. Thus, with the anonymity provision in place, the formal, traceable electoral bonds were to appeal to donors, especially corporate ones, instead of having to turn to informal routes [13].

Research Questions and/or Hypotheses of the Research Paper

This paper is two-fold: it critically evaluates corporate political finance through electoral bonds while, on the other hand, discussing systemic implications of electoral bonds in relation to tenets of transparency, accountability, and democratic governance. The paper addresses the key objectives as follows.

1. An analytical review of the structure and working of electoral bond scheme and evaluate the impact of electoral bonds on corporate political contributions
2. Studying the implications of tax on Electoral bonds.
3. To examine the transparency and accountability concerns raised by electoral bonds and to provide policy recommendations for reform.

The Electoral Bond Scheme: Structure and Mechanism

The Electoral Bond Scheme, a new financial instrument to reform political funding, which has been introduced in India as of 2018, focuses on the formalization of donations rather than the influence of unaccounted-for money [14]. This section describes the key structural features of the scheme: design of electoral bonds, the mechanism of purchase, Know Your Customer (KYC) rules, and the eligibility of both political parties and donors. The final part reflects on the goals of the scheme in relation to black money as well as officializing political contributions.

1. Electoral Bonds: Scheme and Procedure for Purchase

Electoral bonds are also special types of negotiable instruments like ‘bearer instruments’ and similar to a ‘promissory note’ which is floated in the market by the State Bank of India and on its behalf from the Indian government. These shall be available in the denominations of One thousand, Ten thousand, One Lakh, Ten thousand, and One crore rupee. Indian citisens or any Indian incorporated companies located or formed in India are allowed to buy these bonds [15]. The procedure for purchasing will be dealt with in the scheme as the purchase mechanism is structured as follows:

1. They are only available by purchase during the "subscriptions" that the government announces (always around election time). That limits the amount of bonds available and makes the politics of when donations can be made very focused.
2. It's not like bonds are available in every SBI branch and the money has to come out of a bank account. That will be in the form of cheque/demand draft, or even net banking, i. e. the money will go through the official banking system.
3. Political parties can purchase these bonds and can get them back 15 days after they purchase them. And these bonds get put into the appropriate political parties' bank accounts if they qualify, and the face value of the bond is added to the party's account. Anything left over goes into the Prime Minister's Relief Fund [16].

2. Anonymity and KYC Norms in Electoral Bonds

A very important element characteristic to electoral bonds is its anonymity; the electoral bonds are anonymous, meant to ensure the identity of the donor is concealed. However, this anonymity is dealt with the KYC norms to make sure that the transactions can be tracked through the normal banking system. The following aspects govern the anonymity and KYC framework:

1. **Donor Anonymity:** The source of the funds is kept secret from the recipient political party, the public and from the Election Commission of India. Purchaser’s data is only with the State Bank of India but is not disclosed to third parties unless involving legal requirements of investigations or something like that.

2. **KYC Compliance:** While implementing the anti-money laundering norms guidelines, the donors have to follow the process of KYC on bonds purchase. This helps to prevent fraudsters from being part of the scheme because regardless of the identity of those being taken to court, it will be anonymous to everyone else including the political party in question [17].

3. **Bank Oversight:** The State Bank of India is authorised to conduct KYC of the purchasers together with the accomplishment of the transaction in conforming with the RBI normative dispensation

This is addressed by the KYC mechanism that makes the financial aspect formal Critics however, opine that the anonymity aspect dampens accountability and openness to public scrutiny with regards to the possibility of the political system being influenced by large amounts of anonymous corporate money [18].

3. Legal Entitlements of the Political parties and Donors

The rule and regulation regarding eligibility of both political parties and the donor are an essential component that defines the use of electoral bond. It also aims at filtering out any and all illegitimate political personalities and agents as well as well-wishers who may wish to fund the political parties.

1. Political Parties

Electoral bonds, used to donate amounts directly to political parties and thus avoid them showing exactly where the money actually comes from, can only be paid by registered political parties under Section 29A of the Representation of the People Act, 1951. In order to prevent exploitation of the system, they must have at least received one percent of the votes in a recent general election [19].

2. Donors

Electoral bonds can be bought only by Indian citizens or Indian companies. It does not accept any contributions from foreign entities. Some fear that 'black money' could be funneled to influence elections through Indian registered companies acting as intermediaries [20].

4. Objectives of Electoral Bonds

Minimizing Black Money and Legalization of Funds in Political Party

The main rationale for the launch of the electoral bond scheme is to minimise the use of black money in the political fundings and make the political contributions legal. These objectives were set against the context that political funding in India has been raising concerns over the years due to the fact that majority of the funding has been from the black money sources.

1. Reducing Black Money:

Electoral bonds replace the conventional political funding processes through which the idea of black money generation is avoided by assuring the money is channeled through banks with KYC. It reduces the chances that political donations are used to launder money [21].

2. Formalizing Political Contributions

Electoral bonds help legal donation to political parties with some form of documentation although they remain anonymous. It's seen as helping open corporate giving to formal channels, but critics fear, because they don't know who's getting the funds [22].

However, critics, including the Election Commission of India and civil society organizations have noted that donors by virtue of using the electoral bonds will be able to make corruption free anonymous contributions and ensure that large corporates are able to use their resources to finances the political party that they think will favor them.

Corporate Political Contributions: Historical Background and Present Development

Political contributions by corporate in India have considerably influenced political system with special focus on the election system. It is seen that with the passage of time, there has been shifting of loyalties and hence, various changes have occurred in the political financing laws and electoral bonds are one amongst them. This part of the paper describes the role of corporate money in Indian politics, changes in legislations regulating the corporate funding, the effect of electoral bonds, and party-wise concentration of corporate funds.

1. Corporate Donations in Indian Politics: Description

The contribution made by the corporates to the political parties has been a part of the Indian political finance system right from inception. In the past, corporate giving was a primarily unstructured practice, with political parties primarily dependent on word-of-mouth networks to secure funds flow from organizations. In the past when a more limitative reform of political finance was in place, most of the contributions were made in cash thus creating issues with black money and anonymity in funding of politics [23].

Some of main-steps that have defined regulation of corporate political donations are as follows:

1. Companies were permitted through the Companies Act which was first passed in 1956 to donate the part of profits for political parties on the basis of the rule that it had to be declared to the House. However, the norms of disclosure were not stringent and hence many companies did not declare these contributions [24].
2. Amendments were made again in the Companies Act No.18 of 2013 and they introduced more structure regarding corporate donations this time putting a cap of 7 percent. Five percent of the net profit per annum computed for the average net profit for the last three years. This act also mandated the disclosure of political contributions in the annual financial reports thus raising the light shed on such practices.

Still these measures the dependency on corporate funds along with insufficient monitoring remained an issue in relation to private funding in politics. Most political parties were receiving their funding from large businesses and establishment making them accused of favoring their big funders, changing policies to favor their campaign financiers and developing a corrupt nexus with big businesses [25].

2. Legislation on Political Contributions

The Companies Act Political contributions regulations were reviewed severally between year 1956 and 2017 with an impact on companies financing in the electoral process (political funding).

The following is a concise comparative overview

Year	Companies Act -Provisions	Key points
1956	Companies Act, 1956	There were no rules concerning political donations.
1960	Companies (Amendment) Act, 1960	In a given fiscal year, companies were allowed to make political donations of either Rs. 25, 000/ – or 5% of their average net profits whichever amount is higher. Furthermore, companies were required to disclose the contributed amount in the P&L a/c of the company and details of the total amount given including the identity of the recipient whether it is a political party or an individual.
1969	Companies (Amendment) Act 1969	Added a new section that Section 293A banned the donation to political organizations and for political purposes.
1985	Companies (Amendment) Act 1985	It restored political contributions, section 68(3), but limited to not more than five percent of the average net profit of the company, which resolution has to be passed by the board of directors.
2013	New Companies Act, 2013	The company may make political donations and this may not be more than 7.5% of their average net profits annually and has to be recommended through the Board of Directors. It has to be disclosed in the profit and loss accounts and total amount contributed in it, the name of the party or individual has to be mentioned.
2017	Finance Act, 2017	The Companies Act has provided specific changes. BBI was amended to prohibit expending general treasury funds, limitations were placed on the contribution and the sender has to identify the political party's name. As it can be seen, some changes have been introduced that have never been seen before; for instance, it is now legal for a company that has been making losses to donate to politics. Electoral Bonds have been introduced.

Source: (R Paul, 2024) [26]

The Companies Act, 2013 was amended in 2017 by the BJP led Government of India as a part of the political funding reforms. These amendments intended to liberalise the corporate donations and were done in conjunction with the electoral bond system. [27]

Makor changes in 2017 amendments include:

1. The 7.5% (In this case, measures such as the 5% cap of political donations meant that the cash that a business could give depended on its profits was done away with. This meant that individuals could contribute as much as they want to the political party of their choice thus opening up the flooding of corporate funds into the system.
2. Before these changes were made, the names of the political parties that are benefactors of a company's largesse magically appeared in the annual reports. The 2017 reforming of the CAC took away this condition for companies that donated through electoral bonds thus enabling them to donate anonymities [28].

The wide relaxation of corporate funding in politics has spurred an increase in the money parties and leaders have to spend. The change has also alarmed some business as potential for undue influence on political decision making as donations are no longer transparent. At the time of writing, the 2017 amendment to the Companies Act 2013 had paved the way for corporate giving as it took away such limits, but it continued banning of companies that are referred to as 'operating for less than three years' from giving. Violators of those rules could be fined and imprisoned. But the amendments have disrupted the political financing landscape, granting corporate entities the ability to contribute more significantly and much less regulated [29].

3. Impact of Electoral Bonds on Corporate Contributions

The modification of electoral bond in 2018 changed the trends of corporate funding in the political parties significantly. Thus, the scheme of anonymous donations effectively eliminated the possibility of controlling the companies' funding of certain political parties. The major impacts of electoral bonds on corporate political contributions include:

1. The abolition of donation limits and opening of the possibility of anonymous corporate donations have increased the sale of electoral bonds to corporates. It has concerned how large businesses exert an undue influence on political parties as seen on public accounts [30].
2. Electoral bonds scheme that was meant to replace cash in political funding, but the provision for anonymity raises questions over transparency. Money flow and identification of conflicts of interest are impossible because one doesn't know the source of money from corporations, say opponents like the Election Commission of India and civil society propose [31].
3. The electoral bond system has led to concerns over the lack of regulation, as these can allow corporate houses to contribute anonymously and enable large corporate houses to have influence in political parties, thereby diluting democracy, the Reserve Bank of India has said [32].

Still, the scheme has been justified by the government of India as a useful step to formalise contributions in elections and eradicate the phenomenon of black money.

4. Concentration of Corporate Donations Towards Political Parties

Another major shift in the direction of corporate contributions in trends which is observed since the launch of electoral bonds are towards certain political parties. The Association for Democratic Reforms (ADR) had reported that bulk of the corporate electoral bonds funds are going to the ruling party accused of violating the elections by impacting political equality and fair competition [33].

1. Dominance of the Ruling Party

Electoral bonds, for which Bhartya Janata Party (BJP) got most, record issues of fears of aiding ruling party and giving therefore incumbencies an advantage unfairness in elections. CMS used data from 2018 to 2020 and predicted that 95% of corporate funding via electoral bonds went to ruling party. This means that the funneling can create the bias for the 'good' policy decision that favors a single company over societal good [34].

2. Reduced Funding for Opposition Parties:

On the other hand, the opposition parties have been Yorkshire reported as having been donated far lesser from corporate firms. As a consequence, the finance has brought concerns whether the election has been fairly competed since those parties without so much money might not be able to compete in election fairly.

3. Potential for Policy Influence

Another leading issue is the focus of corporate contributions towards certain political parties may cause policy capture whereby the large donating corporations may influence policy making to favor them. The anonymity of the electoral bond scheme and the lack of reporting mechanism of corporate donors blur the line between the companies and government's machinery and regulatory decisions.

Shell Companies: A Tool for Political Funding

The shell companies include legal entities which are have been created on paper but do not possess any fundamentals of any organised business-like having employee or engage in any respectable commerce. These entities are rather launched for doing financial operations, for evasion of taxes, or for possessing property secretly. In the course of funding political activities and campaigns, more and more shell companies have been used to launder campaign funds, or contribute anonymously [35].

Meaning of Shell Company: A shell company is a company which has no real asset, operations, and is usually used for illegal purposes like money laundering, tax evasion and more. The term is not defined in the Companies Act of 2013, but the nonfunctional companies are the ones which are considered to be shell companies. Just like Electoral bonds Shell Company are also not defined anywhere in Indian Law but here are some definitions by various sources:

- **Market Business News**: "A shell company, or shell corporation, is a business that conducts no business activity and has only limited assets. Past operations by some of the shell companies may have been present, but they dried up because of inevitable mismanagement, or simply because of an unfavorable market [36]."
- **Investopedia**: "A shell corporation is a business entity that is simply a corporation, but not a going concern with active operations or much in the way of tangible assets. Not all of these types of corporations are illegal, but they are sometimes used illegally—either as a way to conceal business ownership from law enforcement or the public [37]."
- **SmartAsset:** "A shell company is not necessarily a company, but a corporate shell through which another company, person or group performs the actual activity that the company appears to do or own [38]."
- **Cambridge Dictionary:** "A shell company is a company defined as a company that does not itself do or own anything, but does something by proxy, to protect the doer or owner of the activities — sometimes (though not always) illegally — from being identified [39]."

Based on the above statements we can conclude that A shell company is a business entity where the only real product is the paper it's printed on with no real active business operations or substantial assets. It may have been created for serious reasons such as holding the assets, or as a makeshift for financial transactions. But shell companies are frequently used for concealing business ownership or shielding illegal business.

While not in themselves illegal, they can be used to launder money, evade taxes or any number of criminal devices. Particularly, they are kind of a façade that camouflages the real essence of the activities performed by the entity.

1. Shell Companies in Political Funding: Analysts View

Shell companies act as receptionists for political contributors whereby individuals or companies can contribute to the political parties in large amounts with anonymity. Each of these donations can hide the identity of the donor and the source of the contribution which causes questions on the use of ill-gotten wealth in funding political campaigns.

Features that make shell companies attractive for political funding include:

1. Using shell companies, it is easy to donate and contribute a specific amount of money to political parties without necessary declaring the original source of the money. This helps protect politically connected persons or firms from light and public condemnation.
2. Since the shell companies have limited or no real commercial activity, they can be used for such purposes as money laundering or moving of the funds of the illegitimate activities into the political system.
3. By routing funds through shell companies, donors can evade taxes or hide the extent of their political contributions from regulatory bodies, shareholders, and the public [40].

2. Legal and Regulatory Lapses in India

India's electoral bonds scheme and the liberal corporate donation laws have otherwise provided loopholes for shell companies. Key regulatory changes have weakened transparency in corporate donations:

1. **2017 Amendment to the Companies Act**: It lifted the 7.5 percent ceiling on corporate funding to political parties and for companies to get away with three years of operation before funding. With this said, petroleum companies can make larger contributions to political parties by donating to newly formed shell companies.
2. **Electoral Bonds and Anonymity**: This electoral bond scheme gives rise to the use of shell companies and leads to such large donations being left anonymous, which means that political election funding transparency is impacted [41].

3. Risks that Results from Shell Companies in Political Funding

1. Money Laundering and Corruption

This practice not only elevates the chances of money laundering but also leads to escalated black money circulation within the political framework. Shell companies often operate in offshore jurisdictions or as domestic entities without transparent ownership structures, making it difficult to trace the origin of funds [42].

2. External Interference

This also makes them duplicate for foreign entities that wish to exert some control over politics of the country. In India regulation tells that no political party shall accept foreign funding, it means that no foreign company or individuals are allowed to give money to the political parties. Still, these regulations might be easily bypassed through shell companies that would funnel foreign funds through local shells.

3. Undue Corporate Influence

The problem is that through the anonymous donations made through shell organizations, the corporations are able to wield a lot of influence over the political parties and the policies that they develop, implement and support. This influence can cause policy capture whereby the officials serving the public interests are replaced with corporate ones thus tilting the democratic system [43].

4. Shell Companies in Indian Political Funding

India has also observed many instances where the shell companies have been found linked with huge political contributions. For example:

1. In the year 2019 investigative reports have shown that through the electoral bonds scheme money was channeled to over 2000 shell companies supporting the major political parties in India.
2. The Association of Democratic Reforms (ADR) has cited examples of companies with no experience in business and those which were formed recently making hefty contributions and the source of the same is doubtful [44].

Here is a summary chart of the number of shell companies struck off by the Ministry of Corporate Affairs from 2018 to June 2021, categorized by State/Union Territory:

State/UT	No. of Struck off Companies
RoC-Ahmedabad	9,243
RoC-Andaman	41
RoC-Bangalore	11,185
RoC-Chandigarh	4,908
RoC-Chennai	11,217
RoC-Chhattisgarh	947
RoC-Coimbatore	2,992
RoC-Cuttack	3,731
RoC-Delhi	45,595
RoC-Ernakulam	9,189
RoC-Goa	597
RoC-Gwalior	4,920
RoC-Himachal Pradesh	858
RoC-Hyderabad	20,488
RoC-Jaipur	9,222
RoC-Jammu	393
RoC-Jharkhand	1,848
RoC-Kanpur	15,803
RoC-Kolkata	15,022
RoC-Mumbai	52,869
RoC-Patna	4,683
RoC-Pondicherry	191
RoC-Pune	5,552
RoC-Shillong	1,256
RoC-Uttarakhand	555
RoC-Vijayawada	4,918
Total	238223

This shows clearly the distribution of struck-off shell companies in the different states and union territories of India [45].

Source: Ministry of Corporate Affairs, 2021

Tax liabilities of electoral bonds

In the 2017 government budget speech, Finance Minister Arun Jaitley said contributions and donations to political parties would be eligible for tax deductions. What that means is that donors get a deduction value against their taxes and political parties can collect funds without incurring taxes provided the party files a return. The Income Tax Act, 1961 provides for deduction to certain domestic companies or organizations in India under Section 80GGG, in respect of donations to political parties or electoral trusts [46]. Under section 29 A, Representation of the People Act 1951, Political parties have to register. According to Section 8 of the Companies Act 2013, electoral trust is the one which accepts donations made voluntarily by firms and donate to political parties. Hidden money should not be donated and should be taxed. It makes it transparent political funding and stops it wastage of funds for any illegal actions [47]. This paper aims at analyzing the taxation consequences of the electoral bonds and the impact that they have to the parties donating as well as parties receiving such contributions.

1. The Legal Framework of Electoral Bonds and Tax Liabilities

Electoral bonds are regulated by the Electoral Bond Scheme, 2018 and changes and the existing Income Tax Act, 1961. A key aspect under the scheme has significance to understand the tax liability in the following:

1. Electoral bonds may be sold only to known customers because the transactions would be affected through formal banking channels with strict KYC norms.
2. Only political parties registered under Section 29A of the Representation of the People's Act, 1951 and that had polled at least 1% of the votes in the last general election are eligible to receive electoral bond donations.
3. The identity of the contributors is not disclosed to the public as well as the political parties that receive the contributions though the bank keeps its account. (Electoral Bonds Scheme, 2018)

2. Tax Treatment for Donors

The Income Tax Act 1961 contain some provisions on tax exemption on donations to political parties. Specifically, the following sections are pertinent:

1. **Section 80GGB:** In this section, it is enabled possible for every company to claim the political party donations they have made as a deduction. Electoral bonds donation is also exempted to the extent of one hundred percent if the donation is done by a corporate company.

2. **Section 80GGC:** Section 80GGC is analogous to Section 80GGB which permits the individual taxpayer to claim the deduction on the donation given to the political parties using the electoral bond or otherwise [48].

Therefore, whereas the candidates and the businessmen, who can physical their political contributions through political party, get a proportional tax credit on the respective political contribution, it is clear that it is allowed and legal for individuals and corporations to enjoy tax deductions on their political donations for electoral bonds and any other lawful means. It is for this reason that tax treatment of these donations tends to encourage formal political funding while at the same time ensuring that the same donations do not violate tax laws [49].

3. Tax Liabilities for Political Parties

Electoral bonds are tax free donations to political parties if those parties meet the qualifications of the Income Tax Act. That means they must report the funds as exempt income but don't have to disclose donor names. The exemption means that political parties must disclose amounts received from electoral bonds in their financial statement but don't have to pay taxes on donations from these bonds [50].

4. Issues Surrounding Tax Liabilities and Transparency

So, although the tax treatment of EBs seems uncomplicated there is matter of concern on anonymity of donor which brings subject of transparency and accountability in political funding into question. The anonymity of electoral bonds' purchasers translates to the fact that no one can know if, and how, the tax advantages tied to them are used for money laundering, or for tax evasion [51].

Transparency and Accountability Concerns

Electoral bonds were issued with an intention of making transparency in political funding but their usage prompted various questions as to the lack of anonymity, control over the policies and missing links of the regulation. Such problems are undermining democratic accountability and have resulted in enhanced objection from legal entities, control and supervisory bodies, and other non-governmental structures [52].

1. Anonymity in Political Funding: A Double-Edged Sword

It is a well-known proverb that says every rose has its thorns and this is very true with the above-mentioned aspect of globalization which is a double-edged sword. It is believed that donation without disclosure can be advantageous as well as disadvantageous and this is one of the attributes of the electoral bond scheme. On one hand, it gives people and companies the possibility to fund without worrying about punitive actions or discrimination from the political side. On the other hand, this lack of disclosure erodes democracy since it allows big and unknown donors to fund candidates or causes with an intent of controlling government change without being exposed to the public [53].

2. Lack of Disclosure of Donor Identities: Implications for Democracy

The anonymity donor's opinion brings about a serious threat to democracy for it allows for clandestine political financing through electoral bonds. Lacking transparency contributes to citizens' lack of faith in the political process—concerns about the grip wealthy people or corporations can have on the control of the world. The lack of legal requirements of the disclosure of donors makes it difficult to trace the origin of the Funds, leaving room to ask about the direction of the policy, as well as, decisions within political parties [54]. non-disclosure therefore not only reduces democratic purity but also sets opening through which unlawful funds may be channeled into the political systems disguised as lawful contributions.

3. The Impact of Corporate Donations on Policy Formation

Donations made through electoral bonds put corporates in a position to determine the kind of policies which are implemented hence effecting conflict of interest. The corporations that give anonymously may want certain policies to be implemented in their favor and this compromises the overall policy on matters of public interest. This becomes especially messy when these donations are not declared, and the electorate is therefore unable to tell which corporations are funding individuals that can influence the elected officials [55]. Furthermore, this leads to a situation when big business and business tycoons can actually 'purchase' themselves an influence, thus distorting the foundations of democratic representation.

4. Criticism of Regulatory Agencies: Concerns of ECI and RBI

Two most dominant are the Election Commission of India (ECI) and the Reserve Bank of India (RBI). Even though ECI has been raising the anonymity of donors as contrary to ordinary principles of being transparent in electoral funding, it is still appealing for alteration of laws for improvement on the statement required about political contributions [56]. The introduction of the electoral bonds has invited the concern of the RBI stating that it will erode the constitution of banking system which checks the flow of black money and ILLEGAL FLOW OF FUNDS and such electoral bonds are going to work as money-laundering tool through anonymous donation. Each institution has raised concern on how the policy has been designed, and this shows the danger of weak or no supervision within the system.

5. Judicial Challenges and Civil Society Opposition to Electoral Bonds

There is a history of electoral bonds facing legal hurdles and most recent data the testing of the bond before the Supreme Court of India. Some civil-society organizations, and legal activists have also moved the court and filed petitions against the constitutional validity of the electoral bonds on the background of non-transparent funding. These include argument that, the bonds promote corruption, weakens democratic accountability and erodes the Election Commission's regulatory function. Various CSO's have objects the electoral bond scheme as beneficial to the large corporate houses and which hampers transparency and people's right to know the companies funding political parties. They opine that such a scheme puts paid to the principles of fair and transparent democracy, wherein the voters should be informed about, who is funding political campaigns [57].

Political Funding Models: Comparing with America – United Kingdom – Germany

The similarities and differences of political funding transparency in other democracies, like the United States, the United Kingdom, and Germany, examine the various funding models with the strengths and weaknesses. The analysis of corporate contributions and disclosure requirements points to the lessons that could be drawn by India to enhance the transparency and accountability in its system of political funding.

United States

Even though the funding of political activities in the U. S is primarily made from the collection of public and private funding, it's one of the most transparent systems in the contemporary world. The campaign finance is regulated by the Federal Election Commission (FEC), and all the donations for political candidates must be declared [58]. Individual and corporate contributions together with PACs' ones are restrained but, following the SC decision in Citizens United v. FEC, 2010, Super PACs have no limits for their contribution as long as they avoid close cooperation with the candidates [59]. However there are organizations which operate with non-disclosure of their funders hence the issue of 'dark money' fundraising has been a major point of concern in the financing of political activities. However, public disclosure norms make sure that a good number of political contributions is transparent to the public domain [60].

United Kingdom

In UK for instance any donation amounting to £7,501 and above has to be declared and there is declaration of corporate donations. On the issue of political party funding, the Electoral Commission monitors the parties' funding and keeps and disposing records of the same. (Barr et al., 2024) Election campaign also has Spending limits that are placed on the political parties during the election period [61]. On the disclosed model, probably, one of the significant advantages of the UK model is the regulation of disclosure and, in particular, reporting of donations and loans on a regular basis [62]. The requirements also make it mandatory for corporate donors to indicate approvals from shareholders or boards of the companies thus enhancing on accountability.

Germany

Regarding the financing of political parties, Germany has a combination of private as well state funding. The German system also has strict ceiling provisions that affect the donations especially on anonymous donations whose limit stands at €500. Contributions in the amount of more than €10 000 have to be declared in Bundestag and such information has to be made public [63]. Germany underlines strict measures against transparency including Severe reporting requirements for individual and corporate donors. Furthermore, public funding of political parties depends on the performance of the party in elections and thus reduce influence of private players in the political system [64].

Corporate Contributions and Disclosure Requirements in International Context

United States: There are restrictions to corporate funding to political parties and candidates in the U. S. in as much as it is controlled by the FEC, this means that companies cannot directly donate to candidates. However, they use PACs to rally their employees and shareholders' monetary contributions in a single pool [65]. That should be reported and they are all disclosed above $200. The Super PACs have thus given the corporations an opportunity to donate indirectly to politics, though most people feel that this is still unhealthy of approaching politics since the identity of the givers of the money remains anonymous [66].

United Kingdom: The UK has stringent rules on the disclosure of corporate contributions most of which are mandatory. Political contributions have to be disclosed to the public and companies have to report to its shareholders about political contributions. There is also an element of penalties associated with non-compliance to these regulations which in turn adds to the dimension of accountability. Further, the corporate contributions are only allowed in case the corporation is operating within the United Kingdom [67].

Germany: The German corporations, however, give more directed and regulated contributions. It is impossible for businesses to give their contributions secretly; further, any gift over a value of € 10,000 has to be declared to the public register [68]. Moreover, it exposes corporations that contribute to the political parties to reputational risk hence increasing the chances of increased corporate accountability in their political contributions.

Policy Recommendations for Reforming Electoral Bonds and Corporate Donations

In order to mitigate these radical and reasonable fears of lack of accountability and transparency as well as the undue power of the business sector in politics, a number of changes can be introduced to the existing electoral bonds schemes and corporate donation regime in India [69]. Such reforms would promote more transparent democracy, restrain undue influence and strengthen the system of checks and balances, to provide a better system of political financing that is more just and equitable [70].

1. Enhancing Transparency in Electoral Bonds

A major criticism levelled against the electoral bonds system is the anonymity of the donor which apparently encourages expenditure on politicians without audit. To improve the level of accountability, the following reforms are recommended:

It should be made mandatory to disclose the amount or identity of people who donated electoral bonds above a specific numerical limit like, Say ₹20 lakh. This would improve transparency while preserving the confidentiality of smaller bondholders [71]. Political parties should be compelled to furnish the information regarding the electoral bond donations received by them instead of waiting until the end of the financial year, or quarterly at specific intervals like e.g. of 3 months once, or may be annually for one calendar year and so on. This will help in wider verification and decrease the time-staggering between the donation and public exposure [72]. There could be established a central depository through the Election Commission for all the information relating to political donations exceeding certain sum [73].

2. Restoring Restrictions on Political Contributions

The Indian government scrapped the corporate income ceiling limits in 2017, and political parties can now receive any amount of donations from any source of commerce. The re-institution of corporate income ceiling limits would halt the rampant corporate oligopoly in the political process. As such, a reasonable cap on corporate donations should be reintroduced whereby large corporate forces will not be able to have disproportionate and altering factors over political parties and the political policies. For instance, reinstating a cap of 7.5% on average net profits of a three-year period for such donations [74]. The use of false companies or dormant companies or recently created companies that do not have much of a business operation shall not be allowed to make donations of this nature as they are used to conceal wads of money.

3. **Making Corporate Donors' Information Available to the Public**

Preferably, the compulsory reporting of political contributions made by corporations will eliminate these omission problems by placing buffers for respect of corporative censure [75].

There should be a mechanism that obliges shareholders to approve donations by shareholders upon collection of a certain figure of corporate donations, as done in the United Kingdom [76]. This is to avoid commercial sponsors of political activities encroaching interests of other stakeholders in the companies.

All corporate donations to political parties should be publicly available on both the donor company's website and the Election Commission's website. This would ensure greater transparency and help the public and media track corporate influence on political parties [77].

4. **Strengthening Independent Oversight Mechanisms**

The intended changes in political funding cannot be effective without having strong and independent supervisory bodies in place. There ought to be more stringent measures regarding the political donations and political expenditure by parties, download the Election Commission of India and make it answerable for the reporting requirements. External audits and immediate attention to scenarios like these could increase accountability. Greater interaction can take place between regulatory agencies like the Election Commission, the RBI and the Ministry of Company Affairs to prevent misuse of political funding purposes especially from big business contribution. The politicians or companies failing to comply with transparency and limits on donations should be heavily penalised. This would create an environment where compliance with the rules regarding transparency is welcome [78].

5. **Reconsidering Anonymity: Balancing Privacy and Public Accountability**

There are hot debates on the topic of anonymity and electoral bonds because of the politics surrounding such bonds. Donors would be free from fear of threats from their political actors but loss of public confidence in democracy will create an unwanted situation. Key is to strike that balance. The privacy of small-scale donors (in this case those donating under ₹1 lakh) shall remain intact and prevent any activities of victimization or intimidation. Identity of donors in case of high-value donations should be available, where many factors including privacy of the donors, and the need of people to know about such donations are considered. Funds or other resources should be established to safeguard whistleblowers who may engage in the unethical use of corporate or political donations and report such activity. it is important to protect such people in order to hold to account to address the problem of corruption in society. In this way, anonymity and accountability can be reconciled by using charitable trusts or other credible entities to disentangle the donor from the political party donation. This provides an additional accountability while protecting the identity of the donor.

Conclusion

The instruments of electoral bonds, adopted with the intention of improving the quality of political funding, has begun to fill new challenges on the questions of transparency of corporate funding of political activities. However, unlike the American model, they have done it successfully while allowing donors to be anonymous and having no prohibiting corporate contributions [79]. Electoral bonds in India are untransparent, can easily lead to corruption and corporate control of the political system. As buyer, they offer tax benefits, but needs to be reformed on the basis of misuse for corporate interests. Electoral bonds have to be taken up to prevent the use of the same for undisclosed political financing so that it doesn't hurt democracy in the country, and the Companies Act 2013 has to be updated for this.

Electoral Bonds allowed individuals and companies the opportunity to secret donate at election time without revealing their identity. Donors contribute to parties without being identified through these bonds purchased from the State Bank of India. In court, petitioners claimed that anonymous donations did not inspire trust in the transparency of the donation process, and challenged this practice. Privacy concerns and the risk of biasing donors in opposition to those are cited as reasons by the government to promise secrecy regarding donors. But the Supreme Court struck down keeping donor identities secret as unconstitutional insofar as it violates the right to information. Accordingly, the State Bank of India has been directed to stop issuing electoral bonds immediately, and the Election Commission has been asked to disclose purchases of electoral bonds from April 12, 2019 onwards. The reason for this decision was to improve transparency of political party funding and accountability of electoral process.

The government of this country should make a common friend disclose all genuine help, loan, or donation received in this country. But in elections, political parties want to keep the identities of all their donors secret, so they prefer to collect the money under one name instead. Without transparency, your most prominent leaders can have large rallies, spend heavily on campaign expenses, and travel around in private planes — but without providing a clear source of funding. These activities are usually financed by public donations, industrialists, and large corporations. However, financial support necessary for campaigns is significant despite all this and the public generally doesn't realise the amount of such funds spent for rallies, vehicles costs, workers payments, and other campaign expenditures. Divisions among parties raises questions about how much money influences the flow of politics, and why people make political donations. The government of India has tried to bring electoral bonds to replace cash funding of political parties in a bid to discourage black money funding of elections and increase transparency. However, several issues have been raised concerning anonymity of donors, increased vibrancy of corporates, and weak regulation.

1. Summary of Key Findings

1. Though electoral bonds facilitate legal and clean banking, their feature disadvantageously shields the donors including the corporate houses. Such anonymity is capable of hiding large funds flow, preventing public supervising and may have certain opportunities for corrupting [80].
2. The scrapping of limits on corporate funding of parties in addition to donors being able to donate by purchasing bonds that shield their identity has made large companies influence political parties. The failure to require disclosure in relation to electoral bond donation is also a major blow to democratic accountability [81].
3. A comparison with other established democracies like USA, UK and Germany shows that Indian political funding system is not adequately transparent or regulated. They include provisions containing limits on donations, compulsory reporting, and vigorous regulation of political finance [82].
4. Different entities such as the Election Commission of India (ECI) and the Reserve Bank of India (RBI) have expressed doubt over the possibility of electoral bonds being used to funding without revealment. Political contributor opposition and decision interpretation demonstrate the costs of diffuse and unlimited money imports into the political system and its lack of transparency [83].

2. Inferences for Indian Democracy

The lack of transparency and accountability in political donations, as facilitated by the electoral bonds scheme, poses several risks to the integrity of Indian democracy:

By granting such large donors concealed anonymity, the political transparency of campaigns becomes a concern; people might lose faith in politicians independent of adequate representation. Since the identity of an individual who funds these parties could easily influence policy making, voters have a right to know who their money belongs to [84].

Unfortunately, this means that political donations by large corporations are expected to distort the political system by creating an unlevel political playing field. Small political parties are especially losing out because they cannot reap from the resources that some of the big corporate houses can offer, thus limiting the freedom of elective Forums in India [85].

Corruption is again possible due to no checks or transparency about large donations through electoral bonds. To avoid such influence, and in light of the fact that policy formulation is a tool for serving the public good or interest, corporations or individuals who seek to make large anonymous contributions may be inclined to seek a favorable policy status [86].

The ECI and other regulatory bodies are responsible for supervision and regulation of free and fair elections, but in the wake of electoral bond scheme these bodies have lost their control over feeble and unidentified political donations [87].

3. Electoral Bonds in India and its Reforms Concerns about the Future

Electoral bonds are in the future of political funding and electoral funding in India, depending on how many reforms can tackle the existing problems like opaqueness. Measures which can be taken could be requiring certain quantity that is given to be disclosed, limiting the amount given by certain organizations, and ensuring that all donations are made public. These steps would help in increasing public trust to prevent undue influence on the same population [88]. A more coherent approach to expanding the legal tools for oversight and enforcement available to, for example, the Election Commission of India and similar regulative bodies is perhaps most urgently required to monitor political party funding compliance. This means that there would be periodic assessments on the periodic reports and stiff action against any culprit on failing to conform to the said reports [89]. There should be a healthy debate in the public domain about the use of electoral bonds and political funding to elicit change. Independent human rights organizations, and the judiciary could also participate in the fight for increase transparency and fairness in political financing [90]. India can look towards fully state funded organizations or partially funded with state support and the rest being subsidised by general donation. These models, as illustrated by the case of Germany, minimise the impact of big businesses in financing political parties and guarantee parties of equal opportunities for funding [91]. The further course for India as to political funding reforms implies the consideration of donor anonymity coupled with the significant tenet of openness in the political process. Looking at other successful democracies and following the recommendations of regulatory bodies and civil society India can develop a less opaque system of political funding [92].

References

1. E S Abdulai, 'Political Party Financing' in Electoral Politics, Laws and Ethnicity in Africa (2023) 97–116 https://doi.org/10.1007/978-3-031-34136-6_6 accessed 15 September 2024.
2. V Mishra and V Mishra, 'What Is Electoral Bond Scheme & Which Party Benefitted the Most from Secret Donations? Here's Everything You Need to Know' Free Press Journal (16 February 2024) https://www.freepressjournal.in/india/what-is-electoral-bond-scheme-which-party-benefitted-the-most-from-secret-donations-heres-everything-you-need-to-know accessed 15 September 2024.
3. J P Mogha and S Mogha, 'The Corporate-Government Nexus in Indian Politics: An Analysis of Corporate Backed Electoral Trusts' The Polis Project (6 September 2024) https://www.thepolisproject.com/read/the-corporate-government-nexus-in-indian-politics-an-analysis-of-corporate-backed-electoral-trusts/ accessed 15 September 2024.
4. C S Verma, 'Understanding Electoral Bonds: An Insight into India’s Political Funding Mechanism' CAclubindia (14 March 2024) https://www.caclubindia.com/articles/understanding-electoral-bonds-insight-into-indias-political-funding-mechanism-51348.asp accessed 15 September 2024.
5. A Jaitley, Budget 2017-2018 (2017) https://www.indiabudget.gov.in/budget2017-2018/ub2017-18/bs/bs.pdf accessed 15 September 2024.
6. 'Electoral Bond Scheme' Press Information Bureau (2018)

https://pib.gov.in/Pressreleaseshare.aspx?PRID=1537149 accessed 17 September 2024
7. A Agrawal, 'Impact on Transparency of Political Parties Funding: EC on Electoral Bonds in 2019' Hindustan Times (16 February 2024) https://www.hindustantimes.com/india-news/impact-on-transparency-of-political-parties-funding-ec-on-electoral-bonds-in-2019-101708070153878.html accessed 15 September 2024.
8. V Ravi and V Ravi, 'Electoral Bonds: Supreme Court's Verdict' (12 March 2024) Vajiram & Ravi https://vajiramandravi.com/blogs/electoral-bonds/ accessed 17 September 2024.
9. Ians, 'Explained: What Are Electoral Bonds? How Do They Work and Why Are They Challenged in SC?' The Economic Times (1 November 2023) https://economictimes.indiatimes.com/news/how-to/explained-what-are-electoral-bonds-how-it-works-and-why-its-challenged-in-supreme-court/articleshow/104889034.cms accessed 18 September 2024.
10. Press Trust of India and Business Standard, 'SC Verdict on Electoral Bond: Everything You Need to Know About It' Business Standard (15 February 2024) https://www.business-standard.com/india-news/sc-verdict-on-electoral-bond-everything-you-need-to-know-about-it-124021500869_1.html accessed 15 February 2024.
11. Ministry of Finance, 'Notification' in The Gazette of India: Extraordinary (2018) https://www.scobserver.in/wp-content/uploads/2021/10/Electoral-Bonds-Scheme-2018.pdf accessed 14 October 2024.
12. N Sahoo, 'Decoding India's Electoral Bonds Scheme' ORF Online (2018) https://www.orfonline.org/expert-speak/decoding-indias-electoral-bonds-scheme-58260 accessed 15 September 2024.
13. S Subramanian, 'Electoral Bonds: Can Anonymity Coexist with Transparency?' (2018) 53(9) Economic & Political Weekly accessed 15 September 2024.
14. R Rao, 'Electoral Bonds: A New Era in Political Funding?' Economic Times (2018) accessed 17 September 2024.
15. 'Electoral Bond Scheme' Press Information Bureau (2018) https://pib.gov.in/Pressreleaseshare.aspx?PRID=1537149 accessed 17 September 2024.
16. R Rao, 'Electoral Bonds: A New Era in Political Funding?' Economic Times (2018) accessed 17 September 2024.
17. Reserve Bank of India (RBI), 'Notification on KYC Norms for Electoral Bonds' (2018) accessed 19 September 2024.
18. N Sahoo, 'Decoding India's Electoral Bonds Scheme' ORF Online (2018) https://www.orfonline.org/expert-speak/decoding-indias-electoral-bonds-scheme-58260 accessed 15 September 2024.
19. Government of India, The Representation of the People Act, 1951 (1951) https://www.indiacode.nic.in/bitstream/123456789/2096/5/a1951-43.pdf accessed 18 September 2024.
20. Election Commission of India, 'Annual Report on Electoral Bonds and Political Parties' (2019) https://www.eci.gov.in accessed 19 September 2024.
21. N Sahoo and N Tiwari, 'Financing Elections in India: A Scrutiny of Corporate Donation' ADR India (2019) http://adrindia.org/content/financing-elections-india-scrutiny-corporate-donation accessed 23 September 2024.
22. S Subramanian, 'Electoral Bonds: A Double-Edged Sword in Political Funding' (2018) 53(9) Economic & Political Weekly accessed 19 September 2024.
23. K Bhattacharya, 'The Evolution of Corporate Political Contributions in India' India Today (2017) https://www.indiatoday.in accessed 19 September 2024.
24. Indian Companies Act (1956) https://www.indiacode.nic.in accessed 19 September 2024.
25. Election Commission of India, 'Report on Corporate Political Donations in India' (2020) https://www.eci.gov.in accessed 19 September 2024.
26. R Paul, 'Electoral Bonds (Political Contribution) Provisions Under the Amended Companies Act Are Unconstitutional – Recent Supreme Court Order' (2024) https://www.taxmann.com/research/company-and-sebi/top-story/105010000000023816/electoral-bo accessed 17 September 2024.
27. ibid
28. R Singh, 'Unlimited Corporate Donations: Examining the 2017 Reforms' Business Standard (2019) accessed 19 September 2024.
29. Ministry of Corporate Affairs, 'Amendments to the Companies Act, 2013' (2017) https://www.mca.gov.in accessed 19 September 2024.
30. N Sahoo and N Tiwari, 'Financing Elections in India: A Scrutiny of Corporate Donation' ADR India (2019) http://adrindia.org/content/financing-elections-india-scrutiny-corporate-donation accessed 23 September 2024.
31. D Y Chandrachud and Supreme Court of India, IN THE SUPREME COURT OF INDIA CIVIL ORIGINAL JURISDICTION Writ Petition (C) No. 880 of 2017 Association for Democratic Reforms & Anr. v Union of India & Ors. (15 February 2024) https://main.sci.gov.in/supremecourt/2017/27935/27935_2017_1_1501_50573_Judgement_15-Feb-2024.pdf accessed 19 September 2024.
32. Reserve Bank of India (RBI), 'Notification on KYC Norms for Electoral Bonds' (2018) accessed 19 September 2024.
33. S Mahajan and Retd S Verma, 'Transparency and Accountability in Political Funding' ADR https://adrindia.org/sites/default/files/Transparency%20and%20Accountability%20in%20Political%20Funding_ResearchPaper_ADR%20V2.pdf accessed 20 September 2024.
34. R Kumar, 'Electoral Bonds: Challenges and Reforms for Future Political Funding' (2020) 66(4) Indian Journal of Public Administration 439-456 https://doi.org/10.1177/0019556120983631 accessed 27 September 2024.
35. S Mahajan and Retd S Verma, 'Transparency and Accountability in Political Funding' ADR https://adrindia.org/sites/default/files/Transparency%20and%20Accountability%20in%20Political%20Funding_ResearchPaper_ADR%20V2.pdf accessed 20 September 2024.

36. Market Business News, 'What Is a Shell Company? Definition and Meaning' (9 February 2020) https://marketbusinessnews.com/financial-glossary/shell-company/?form=MG0AV3 accessed 10 October 2024.
37. W Kenton, 'What Is a Shell Corporation? How It's Used, Examples and Legality' Investopedia (16 April 2024) https://www.investopedia.com/terms/s/shellcorporation.asp accessed 13 October 2024.
38. A Dixon, 'What Is a Shell Company (Shell Corporation)? Example and Benefits' Smartasset (April 2023) https://smartasset.com/investing/what-is-a-shell-company?form=MG0AV3 accessed 13 October 2024.
39. Cambridge Dictionary, 'Shell Company' (2024) https://dictionary.cambridge.org/us/dictionary/english/shell-company?form=MG0AV3 accessed 13 October 2024.
40. The Hindu, 'CAG Raises Concerns About Black Money in Elections' (2020) accessed 19 September 2024.
41. TOI News Desk, 'Electoral Bonds Explained: Transparency and Anonymity in Political Funding' The Times of India (20 March 2024) https://timesofindia.indiatimes.com/india/lok-sabha-elections-2024-electoral-bonds-explained-transparency-and-anonymity-in-political-funding/articleshow/108646815.cms accessed 19 September 2024.
42. The Hindu, 'CAG Raises Concerns About Black Money in Elections' (2020) accessed 19 September 2024.
43. D Y Chandrachud and Supreme Court of India, IN THE SUPREME COURT OF INDIA CIVIL ORIGINAL JURISDICTION Writ Petition (C) No. 880 of 2017 Association for Democratic Reforms & Anr. v Union of India & Ors. (15 February 2024) https://main.sci.gov.in/supremecourt/2017/27935/27935_2017_1_1501_50573_Judgement_15-Feb-2024.pdf accessed 19 September 2024.
44. N Sahoo and N Tiwari, 'Financing Elections in India: A Scrutiny of Corporate Donation' ADR India (2019) http://adrindia.org/content/financing-elections-india-scrutiny-corporate-donation accessed 23 September 2024.
45. Ministry of Corporate Affairs, 'Government Identified 2,38,223 Companies as Shell Companies between 2018-2021' Press Information Bureau (2021) https://www.pib.gov.in/PressReleasePage.aspx?PRID=1739583 accessed 10 October 2024.
46. M Acharya, 'What Is Electoral Bond Scheme: Meaning, Validity, Eligibility, Price, Benefits' Cleartax (6 June 2024) https://cleartax.in/s/electoral-bond-scheme accessed 19 September 2024.
47. B Indulia, 'Analysis and Anatomy of Electoral Bond Judgment' SCC Blog (18 April 2024) https://www.scconline.com/blog/post/2024/02/20/analysis-and-anatomy-of-electoral-bond-judgment/ accessed 20 September 2024.
48. Income-Tax Act, 1961 (India) https://incometaxindia.gov.in/pages/acts/income-tax-act.aspx accessed 1 November 2024.
49. M Acharya, 'What Is Electoral Bond Scheme: Meaning, Validity, Eligibility, Price, Benefits' Cleartax (6 June 2024) https://cleartax.in/s/electoral-bond-scheme accessed 19 September 2024.
50. TOI News Desk, 'Electoral Bonds Explained: Transparency and Anonymity in Political Funding' The Times of India (20 March 2024) https://timesofindia.indiatimes.com/india/lok-sabha-elections-2024-electoral-bonds-explained-transparency-and-anonymity-in-political-funding/articleshow/108646815.cms accessed 19 September 2024.
51. B Indulia, 'Analysis and Anatomy of Electoral Bond Judgment' SCC Blog (18 April 2024) https://www.scconline.com/blog/post/2024/02/20/analysis-and-anatomy-of-electoral-bond-judgment/ accessed 20 September 2024.
52. T Priya Gupta, K Sharma, T Priya Gupta and K Sharma, 'Unveiling the Veil: The Apex Court’s Rejection of Electoral Bonds Within Framework of Corporate Governance and Companies Act' Bar and Bench - Indian Legal News (26 February 2024) https://www.barandbench.com/law-firms/view-point/unveiling-the-veil-apex-court-electoral-bonds-corporate-governance-companies-act accessed 20 September 2024.
53. Open Declare, 'Political Donations: The Big Dilemma on Anonymity?' (9 October 2023) https://www.opendeclare.com/the-big-dilemma-should-political-donations-be-anonymous/ accessed 21 September 2024.
54. D Ananda, 'Electoral Bonds: A Peril to Democracy and Transparent Elections in India' (2023) 9(1) Journal of Liberty and International Affairs 90–101 https://doi.org/10.47305/jlia2391090a accessed 21 September 2024.
55. V Ranva, 'Unveiling the Electoral Bond Scheme: A Deep Dive into Transparency, Legal Battles, and Unsung Heroes #1' (16 March 2024) Investopedia https://investopedia.co.in/electoral-bonds-supreme-court-verdict accessed 20 September 2024.
56. J Matamis, 'India’s Electoral Bond Conundrum' Stimson Center (2024) https://www.stimson.org/2024/indias-electoral-bond-conundrum/ accessed 20 September 2024.
57. A Jazeera, 'India’s Supreme Court Scraps Electoral Bonds, Calls Them “Unconstitutional”' Al Jazeera (7 March 2024) https://www.aljazeera.com/news/2024/2/15/indias-supreme-court-scraps-electoral-bonds-calls-it-unconstitutional accessed 21 September 2024.
58. USAGov, 'Federal Campaign Finance Laws' (n.d.) https://www.usa.gov/campaign-finance-laws accessed 22 September 2024.
59. G Almeter and J Devendorf, 'A Guide To Legal Political Donations and Campaign Finance' LawInfo https://www.lawinfo.com/resources/civil-rights/right-to-vote/a-guide-to-legal-political-donations-and-campaign-finance.html accessed 22 September 2024.
60. C Fiorelli, 'Funding Equality: Democracy, Money and Political Representation' (2020) 20(3) European Political Science 563–65 https://doi.org/10.1057/s41304-020-00288-5 accessed 21 September 2024.
61. B Hancké, T Van Overbeke and D Voss, 'Crisis and Complementarities: A Comparative Political Economy of Economic Policies after COVID-19' (2021) 20(2) Perspectives on Politics 474–89

https://doi.org/10.1017/s1537592721001055 accessed 21 September 2024.
62. BBC News, 'Pandora Papers: Why Are Donations to Political Parties Often So Controversial?' (4 October 2021) https://www.bbc.com/news/uk-politics-58783961 accessed 22 September 2024.
63. N Nöstlinger and C Hirsch, 'Political Party Funding in Germany Explained' POLITICO (29 July 2021) https://www.politico.eu/article/political-party-funding-in-germany-explained/ accessed 21 September 2024.
64. A Grant, 'Party and Election Finance in Britain and America: A Comparative Analysis' (2005) 58(1) Parliamentary Affairs 71–88 https://doi.org/10.1093/pa/gsi007 accessed 21 September 2024.
65. G Almeter and J Devendorf, 'A Guide To Legal Political Donations and Campaign Finance' LawInfo https://www.lawinfo.com/resources/civil-rights/right-to-vote/a-guide-to-legal-political-donations-and-campaign-finance.html accessed 22 September 2024.
66. International Accounting Standards Board, Conceptual Framework for Financial Reporting (2010) https://www.ifrs.org/content/dam/ifrs/publications/pdf-standards/english/2021/issued/part-a/conceptual-framework-for-financial-reporting.pdf accessed 21 September 2024.
67. R Lombardi, 'The Corporate Sustainability Reporting and Disclosure' in SIDREA Series in Accounting and Business Administration (Springer 2021) 31-77 https://doi.org/10.1007/978-3-030-81127-3_2 accessed 21 September 2024.
68. German Bundestag, 'Party Funding' (n.d.) https://www.bundestag.de/en/parliament/function/party_funding accessed 21 September 2024.
69. N Sahoo and N Tiwari, 'Financing Elections in India: A Scrutiny of Corporate Donation' ADR India (2019) http://adrindia.org/content/financing-elections-india-scrutiny-corporate-donation accessed 23 September 2024.
70. D Kumar, 'The Supreme Court’s Verdict on Electoral Bonds: Proposing a New Framework for Political Funding in India' (2024) SSRN Electronic Journal https://doi.org/10.2139/ssrn.4764454 accessed 23 September 2024.
71. R Singh, 'Electoral Bonds: Balancing Act Between Political Funding Privacy and Democratic Transparency' News18 (7 November 2023) https://www.news18.com/opinion/opinion-electoral-bonds-balancing-act-between-political-funding-privacy-and-democratic-transparency-8652467.html accessed 25 September 2024.
72. J Matamis, 'India’s Electoral Bond Conundrum' Stimson Center (2024) https://www.stimson.org/2024/indias-electoral-bond-conundrum/ accessed 20 September 2024.
73. S Rai and A Burman, 'Analyzing the Benefits of Electoral Bonds | John Rawls on a Fair Society' Carnegie Endowment for International Peace https://carnegieendowment.org/india/ideas-and-institutions/analyzing-the-benefits-of-electoral-bonds-or-john-rawls-on-a-fair-society?lang=en accessed 25 September 2024.
74. Sentinel Digital Desk and D Kurmi, 'India’s Electoral Funding: Challenges, Transparency, and Reforms' Sentinel Assam (21 February 2024) https://www.sentinelassam.com/more-news/editorial/indias-electoral-funding-challenges-transparency-and-reforms accessed 25 September 2024.
75. S Srivastava and Ministry of Corporate Affairs, 'General Circular No. 14/2021' (2021) https://www.mca.gov.in/Ministry/pdf/FAQ_CSR.pdf accessed 26 September 2024.
76. The Chartered Governance Institute UK & Ireland, 'Political Donations' https://www.cgi.org.uk/knowledge/resources/political-donations accessed 26 September 2024.
77. 'Disclosure of Political Funding' Drishti IAS (2023) https://www.drishtiias.com/daily-updates/daily-news-analysis/disclosure-o-political-funding accessed 26 September 2024.
78. K Veena, 'Recent Electoral Reforms in India Until 2022: An Overview' (2023) 11(8) International Journal of Creative Research Thoughts (IJCRT) d899-d901 https://ijcrt.org/papers/IJCRT2308417.pdf accessed 26 September 2024.
79. Business Standard, 'What Is Electoral Bond - Benefits, Validity, Conditions, Controversy, News' (n.d.) https://www.business-standard.com/about/what-is-electoral-bond accessed 26 September 2024.
80. The Hindu, 'The Dark Side of Electoral Bonds' (2019) accessed 26 September 2024.
81. Live Mint, 'The Electoral Bond Scheme Is a Threat to Democracy' (2020) https://www.livemint.com accessed 26 September 2024.
82. Economic and Political Weekly, 'Electoral Bonds and Political Finance Reform' (2020) https://www.epw.in accessed 26 September 2024.
83. R Singh, 'Unlimited Corporate Donations: Examining the 2017 Reforms' Business Standard (2019) accessed 19 September 2024.
84. J Matamis, 'India’s Electoral Bond Conundrum' Stimson Center (2024) https://www.stimson.org/2024/indias-electoral-bond-conundrum/ accessed 20 September 2024.
85. R Kumar, 'Electoral Bonds: Challenges and Reforms for Future Political Funding' (2020) 66(4) Indian Journal of Public Administration 439-456 https://doi.org/10.1177/0019556120983631 accessed 27 September 2024.
86. R Mohanty, 'The Implications of the Electoral Bond Scheme on Free and Fair Elections in India' (2022) 30(1) Asian Journal of Political Science 76–95 https://doi.org/10.1080/02185377.2022.2038986 accessed 26 September 2024.
87. R Kumar, 'Electoral Bonds: Challenges and Reforms for Future Political Funding' (2020) 66(4) Indian Journal of Public Administration 439-456 https://doi.org/10.1177/0019556120983631 accessed 27 September 2024.
88. D Sahu, 'Towards Transparency in Political Funding: The Need for Reforms in Electoral Bonds' (2021) 7(1) International Journal of Law and Political Sciences 55-70 accessed 28 September 2024.
89. A Gupta and R Sharma, 'Electoral Bonds: Reassessing the Framework for Political Funding in India' (2022) 14(2) Journal of South Asian Studies 95–112 https://doi.org/10.1080/17516060.2022.2034567 accessed 28 September 2024.

90. Election Commission of India, 'Discussion Paper on Reforms in Political Funding' (2021) https://eci.gov.in accessed 28 September 2024.
91. R Bhatia, 'Public Trust and Electoral Bonds: Proposals for Reform in Political Contributions' (2023) 9(1) Asian Political Review 24–41 https://doi.org/10.1007/s42114-023-00083-5 accessed 28 September 2024.
92.
93. Basu, D. D., *Introduction to the Constitution of India*, 27th ed. (LexisNexis, 2023).
94. Jain, M. P., *Indian Constitutional Law*, 9th ed. (LexisNexis, 2023).
95. Kashyap, Subhash C., *Our Constitution: An Introduction to India's Constitution and Constitutional Law* (National Book Trust, 2019).
96. Seervai, H. M., *Constitutional Law of India*, 4th ed. (Universal Law Publishing, 2015).
97. Chhokar, Jagdeep S., "Electoral Bonds: Reform or Retrogression?" *Economic and Political Weekly*, Vol. 54, No. 8 (2019).
98. Sridharan, E., "Political Finance and Electoral Reforms in India," *India Review*, Vol. 18, No. 4 (2019).
99. Vaishnav, Milan, "Political Finance in India: Challenges and Reform," *Carnegie India Working Paper* (2018).
100. Bhattacharya, Pranab, "Corporate Political Funding and Electoral Bonds in India," *Indian Journal of Public Administration*, Vol. 67, No. 3 (2021).
101. Association for Democratic Reforms (ADR), *Analysis of Electoral Bonds Scheme* (2024).
102. Election Commission of India, *Annual Report* (Various Years).
103. Law Commission of India, *255th Report on Electoral Reforms* (2015).
104. Reserve Bank of India, *Annual Report* (Relevant Years).
105. Transparency International India, *Political Finance and Transparency Reports*.
106. State Bank of India, *Electoral Bond Sale Data* (as disclosed pursuant to Supreme Court directions, 2024).
107. Ministry of Finance, Government of India, *Electoral Bond Scheme, 2018*.
108. Finance Act, 2017.
109. Income Tax Act, 1961.
110. Companies Act, 2013.
111. Representation of the People Act, 1951.
112. Reserve Bank of India Act, 1934.
113. Foreign Contribution (Regulation) Act, 2010.
114. *Association for Democratic Reforms v. Union of India*, (2024) Supreme Court of India.
115. *People's Union for Civil Liberties (PUCL) v. Union of India*, (2003) 4 SCC 399.
116. *Union of India v. Association for Democratic Reforms*, (2002) 5 SCC 294.
117. *Kuldip Nayar v. Union of India*, (2006) 7 SCC 1.
118. Association for Democratic Reforms. *Electoral Bonds*. https://adrindia.org
119. Election Commission of India. https://eci.gov.in
120. Ministry of Finance, Government of India. https://finmin.gov.in
121. PRS Legislative Research. https://prsindia.org
122. State Bank of India. https://sbi.co.in
123. Supreme Court of India. https://www.sci.gov.in
124. Transparency International. https://www.transparency.org