

AS INTRODUCED IN THE RAJYA SABHA
ON THE 27TH AUGUST, 2010

Bill No. LI of 2010

THE POLITICAL PARTIES (MAINTENANCE AND AUDITING
OF ACCOUNTS) BILL, 2010

A

BILL

to provide for preparation, maintenance and auditing of annual accounts of political parties and for matters connected therewith or incidental thereto.

BE it enacted by the Parliament in the Sixty-first Year of the Republic of India as follows:—

1. (1) This Act may be called the Political Parties (Maintenance and Auditing of Accounts) Act, 2010.

Short title,
extent and
commence-
ment.

(2) It extends to the whole of India.

(3) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

2. In this Act, unless the context otherwise requires,—

Definitions.

(a) "Commission" means the Election Commission of India constituted under article 324 of the Constitution;

(b) "political party" means an association or body of individual Citizens of India registered with the Commission as political party in accordance with the provisions contained in section 29A of the Representation of the People Act, 1951; and 43 of 1951.

(c) "prescribed" means prescribed by rules made under this Act.

Maintenance and auditing of accounts of political parties.

3. (1) Every political party shall prepare and maintain annual accounts of all its receipts, expenditure and other relevant records in such form and manner, as may be prescribed.

(2) The accounts of every political party shall be audited by an auditor authorised to audit the accounts of a company under the Chartered Accountants Act, 1949. 38 of 1949.

Submission and publication of audit report.

4. (1) Every political party shall submit its annual certified copy of the audited accounts together with the audit report thereon to the Commission within such time, as may be prescribed.

(2) The Commission shall cause the annual certified copy of the audited account together with the audit report thereon of each political party to be published in such manner, as may be prescribed.

Penalty.

5. If any political party contravenes the provisions of this Act, the Commission may, after giving a reasonable opportunity to the concern political party,—

(i) withdraw its recognition, if it is a political party recognised by the Commission under the Election Symbols (Reservation and Allotment) Order, 1968; or

(ii) withdraw its registration as a political party, for such period, as may be prescribed.

Power to remove difficulties.

6. (1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, after consulting the Commission, by order to be published in the Official Gazette make such provisions, not inconsistent with the provisions of this Act, as may appear to it to be necessary or expedient for removing the difficulty.

(2) Every order made under this section shall be laid, as soon as may be after it is made, before each House of Parliament.

Act to have over-riding effect.

7. The provisions of this Act shall apply notwithstanding anything contained to the contrary in any other law for the time being in force.

Power to make rules.

8. The Central Government may, in consultation with the Commission, by notification in the Official Gazette, make rules for carrying out the purposes of this Act.

STATEMENT OF OBJECTS AND REASONS

The Representation of the People Act, 1951, provides that every candidate at an election, either to the House of the People or to the Legislative Assembly of a State, shall keep a separate account of all his expenditure incurred in connection with the election but there is no provision providing for maintenance and auditing of accounts of political parties. Since huge amount of money is playing a major role in winning elections. It is high time that a law providing for maintenance and auditing of accounts of political parties be brought forward. Such a legislation will not only help free and fair elections by discouraging use of money power to disturb the free and fair elections but will also give a right to the people of the country to know from where the money comes to a political party and where it goes.

The Bill seeks to achieve the above objective.

MOHAN SINGH

FINANCIAL MEMORANDUM

Clause 4 of the Bill provides that the Commission shall cause the annual certified copy of the audited accounts together with the audit report thereon of each political party to be published in such manner, as may be prescribed. The Bill, therefore, if enacted, will involve expenditure from the Consolidated Fund of India. It is likely to involve a recurring expenditure of about rupees twenty lakh per annum.

No non-recurring expenditure is likely to be involved.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 8 of the Bill empowers the Central Government to make rules for carrying out the purposes of the Bill. The rules will relate to matters of detail only and as such the delegation of legislative power is of a normal character.

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(Shri Mohan Singh, M.P.)