

o/o DISTRICT ELECTION OFFICER-CUM-DEPUTY COMMISSIONER U.T. CHANDIGARH
GENERAL ELECTIONS - LOK SABHA, 2019

To

All the Political Parties,

Memo No. DEO/EMC/Lok Sabha Elec -2019/ 19

Dated : 8.4.19

Subject: Accounting Shortcomings in Election Expenditure Statement of Political parties-Regarding.

Enclosed please find herewith copy of letter No.505/meeting/Pol.Party/2019/PPEMSS dated 29.03.2019 alongwith enclosures issued by the Election Commission of India, New Delhi regarding issues related to expenditure monitoring, maintenance of accounts and submission of financial statements to familiarize with the instructions on expenditure monitoring and shortcomings occurring at the time of filling of Election Expenditure Statements for information and compliance.

In this regard, meetings were also held on 13-03-2019 & 23-03-2019 under the Chairmanship of RO-cum-DC to apprise various provisions of Election Expenditure monitoring and maintenance of accounts.

DA/As above

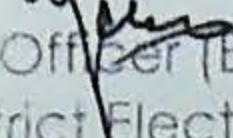
Mandip Singh Brar, IAS
 District Election Officer-cum-
 Deputy Commissioner,
 U.T. Chandigarh.

Endst No. DEO/Lok Sabha Elec -2019/ 20

Dated : 8.4.19

A copy alongwith above said instructions is forwarded to the following for information and necessary action:-

1. The Finance Secretary-cum-CEO, Chandigarh Administration.
2. The District Election Officer-cum-Deputy Commissioner, UT Chandigarh.
3. The Nodal Officer, Media Certification and Monitoring Committee (MCMC)
4. Sh. Jiten, Computer Programmer, Election Department, U.T., Chandigarh for uploading the letter on the website of Election Department.


 Nodal Officer (Exp. Monitoring Cell)
 For District Election Officer-cum-
 Deputy Commissioner,
 U.T. Chandigarh.

ELECTION COMMISSION OF INDIA

NirvachanSadan, Ashoka Road, New Delhi-110001

No.505/Meeting/Pol.Party/2019/PPEMSS

Dated: 29th March, 2019

To

The Chief Electoral Officers of
all States and UTs

Sub: Workshop on "Accounting shortcomings in Election Expenditure Statement of
Political Parties – Regarding.

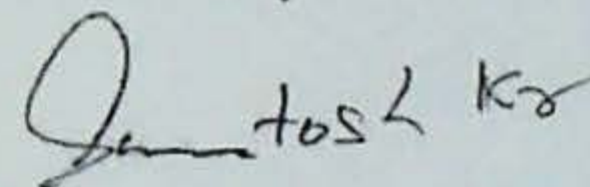
Sir

This is to inform you that a meeting of the Treasurers/General Secretaries of National Political Parties was held on 25th March, 2019 in the Election Commission of India, New Delhi to discuss issues related to expenditure monitoring, maintenance of accounts and submission of financial statements.

It is requested that similar meetings, with the representative of recognized state political parties in the states concerned may also be arranged to familiarize them with the instructions of the Commission on expenditure monitoring and to make them aware of the shortcomings occurring at the time of filling of Election Expenditure Statements. The Agenda, Background Note and Power Point Representation are attached herewith for perusal.

The Commission may be apprised regarding the action taken in the matter.

Yours faithfully,



(SANTOSH KUMAR)
UNDER SECRETARY

AGENDA FOR WORKSHOP

- **New instructions of the Commission regarding election expenditure of candidate(s) and political parties.**
- **Accounting of Election Expenditure by the Political Parties-reporting.**
- **Abstract of Election Expenditure filled by the Candidate-common mistakes.**
- **Timelines for filing of reports by Political Parties and procedural shortcomings.**

BACKGROUND NOTE

- All election expenditure either by candidate(s) or political parties exceeding Rs. 10,000/- (Ten Thousand) shall be incurred by crossed account payee cheque, or draft or by RTGS/NEFT or any other electronic mode linked with bank account of the candidate/political party. Donations/contributions in cash received by the candidates from a single entity/person in a single or multiple transactions shall not exceed to Rs. 10,000/-. However, in the case of political parties the receipt from donations/contributions shall continue to be governed by the existing provisions of Section 29C of the R. P. Act, 1951.

(Commission's instruction no. 76/Instructions/2018/EEPS, dated 12th November, 2018)

<https://eci.gov.in/files/file/9084-revision-of-threshold-election-expenditure-donation-through-cash-transaction-in-a-single-day-by-the-candidates-political-parties-above-rs-10000-ten-thousands-by-cheque-dd-rtgs-neft-or-other-electronic-mode-etc-regarding/> and <https://eci.gov.in/files/file/9084-revision-of-threshold-election-expenditure-donation-through-cash-transaction-in-a-single-day-by-the-candidates-political-parties-above-rs-10000-ten-thousands-by-cheque-dd-rtgs-neft-or-other-electronic-mode-etc-regarding/>

- Candidates may kindly note that format of affidavit (Form 26) to be furnished by candidates along with their nomination to Returning Officer has been amended. Candidates are now required to give total income shown in ITR for the last five financial years, details of offshore assets and it is mandatory to quote PAN if allotted/known. (Letter No.3/4/2019/SDR-Voll dated 28th February, 2019 [file:///C:/Users/eci%204/Downloads/28_02.2019_\(English\)%20\(1\).pdf](file:///C:/Users/eci%204/Downloads/28_02.2019_(English)%20(1).pdf))
- The candidates at all elections are required to file affidavit in Form 26, along with nomination paper, declaring information about criminal cases, assets, liabilities and educational qualifications. Candidates at elections to the House of the People, Council of States, Legislative Assembly or Legislative Council who have criminal cases against them-either pending cases or cases in which candidate has been

convicted, shall publish a declaration about such cases, for wide publicity, in newspapers with wide circulation in the constituency area. The information is also required to be disseminated by the Party for their candidates. (Letter No.3/4/2017/SDR/Vol.II dated 10/10/2018) and Frequently Asked Questions 3/4/2019/SDR/Vol.I dated 19th March, 2019.

<https://eci.gov.in/files/file/9452-faqs-on-criminal-antecedents-if-any-of-a-candidate-and-its-publicity-in-pursuance-of-honble-supreme-court-judgment-dated-25092018-in-wpc-no-536-of-2011-regarding/>

- Candidates shall be made aware to open a separate bank account at least one day before the date on which the candidate intends to file his/her nomination papers, either in the name of the candidate or in the joint name with his election agent. The details of this account shall be communicated to the Returning Officer at the time of filing nomination. The candidate has to deposit the amounts meant for election expenses and incur all his/her election expenses from this account only. Failure to open a dedicated/separate bank account for election expenditure will be construed to be failure to maintain accounts in the manner prescribed by the Commission. (Commission's letter no. 76/Instructions/2013/EEPS/Vol. IV, Dated 15th October, 2013)
- Candidates shall maintain a true and correct day to day Expenditure Register as required under section 77 of the R. P. Act, 1951 and the same shall be lodged with the concerned DEO within 30 days of declaration of result of election as required under section 78 of the R. P. Act, 1951. Abridged version of Election Expenditure ie Abstract Statement of Candidate Expenditure is also normally placed on the website. The candidates are advised to check the information filled up in the Abstract Statement after reconciliation with their party particularly amounts received from the Party in cash or kind.
- It has come to the notice of the Commission that some Political Parties do not mention all PAN details in their Contribution Report. Some parties also do not submit their Contribution Report in time. The information of donors, their complete address along with PANs should be mentioned in Form 24A.

- In some cases the details filed in the Election Expenditure Reports submitted by parties, in Schedule 7 and 18, do not tally with the reports of the candidates submitted in the Abstract statement i.e. Schedule 8. The parties are, therefore, requested to guide their candidates to fill in the information carefully regarding lump sum amounts received by them from their Party. The parties and the candidate should mention the receipts from all sources i.e Cash, Cheque or Draft etc and in kind in the relevant column. The Commission's instruction issued in terms of the judgment of Hon'ble Supreme Court of India in the "Common Cause" case interalia states that Political Party expenditure is subject to scrutiny by the Commission. (Commission's letter No. 76/EE/2012-PPEMS dated 21st January, 2013)
- Political parties have to file the following statements:-
 - (i) Contribution reports- by 30th September every year or such date as extended by CBDT for filing Income Tax Return
 - (ii) Annual Audited account- by 31st October every year
 - (iii) Statement of election expenditure- within 75 days of completion of Assembly election and 90 days of completion of Lok Sabha election.
 - (iv) Part election expenditure statement giving details of amounts disbursed to the candidates by political parties shall be filed within 30 days of declaration of result.

Recognized political parties have to file the aforesaid statements with the Election Commission of India, while un-recognized Political Parties have to file the same with the Chief Electoral Officer of the respective States/UTs in the prescribed time and manner. (ECI Letter No. 76/PPEMS/Transparency/2014, dated 14th October, 2014)
- Candidates have to file their election expenditure accounts within 30 days of the declaration of result. This includes the Abstract Statements.
- The Details instruction both English and Hindi regarding Election Expenditure of the Political Party and Candidate are available on the ECI website www.eci.gov.in under the heading *Compendium of Instructions - Compendium of Instruction on Election Expenditure Monitoring (February, 2019)*.